

FIFTY-SECOND DAY

Wednesday, April 16, 2003

The House of Representatives of the Twenty-Second Legislature of the State of Hawaii, Regular Session of 2003, convened at 12:03 o'clock p.m., with the Speaker presiding.

The invocation was delivered by Representative Bertha C. Kawakami, after which the Roll was called showing all members present with the exception of Representatives Herkes, Morita, Ontai, M. Oshiro and Takumi who were excused.

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

SENATE COMMUNICATIONS

The following communications from the Senate (Sen. Com. Nos. 726 through 728) were received and announced by the Clerk:

Sen. Com. No. 726, dated April 15, 2003, informing the House that the President has appointed as conferees on the part of the Senate for the consideration of amendments proposed by the House to the following Senate Bills:

<u>S.B. Nos.</u>	<u>Senators</u>		
16, SD 2, HD 2	Sakamoto, Chair; Taniguchi, Co-Chair; Menor, Tsutsui, Hogue	506, HD 2	English, Chair; Kokubun, Co-Chair; Hooser, Inouye, Taniguchi, Hemmings
17, SD 1, HD 1	Sakamoto, Chair; Taniguchi, Co-Chair; Chun Oakland, Hooser, Hogue	528, SD 2, HD 1	Kawamoto, Chair; Inouye/Espero/Kokubun, Co-Chairs; Aduja, Taniguchi, Whalen
58, SD 1, HD 2	Sakamoto, Chair; Taniguchi, Co-Chair; Hooser, Kawamoto, Hogue	534, SD 2, HD 1	Inouye/Sakamoto/Taniguchi/ Kokubun, Co-Chairs; Aduja, Kawamoto, Tsutsui, Whalen
205, SD 3, HD 2	Kanno, Chair; Taniguchi, Co-Chair; Kawamoto, Kokubun, Tsutsui	538, SD 1, HD 1	Inouye, Chair; Espero, Co-Chair; English, Whalen
209, SD 3, HD 1	Sakamoto/Kanno, Co-Chairs; Hooser, Kawamoto	576, HD 2	Sakamoto/Taniguchi, Co-Chairs; Kawamoto, Tsutsui
248, SD 3, HD 1	Kim, Chair; Taniguchi, Co-Chair; Espero, Sakamoto, Whalen	582, HD 1	Taniguchi, Chair; Kokubun, Tsutsui, Hemmings
254, SD 2, HD 1	Inouye/Taniguchi, Co-Chairs; Espero, Kokubun, Whalen	740, HD 2	Baker/Kokubun, Co-Chairs; Chun Oakland, Taniguchi, Tsutsui, Hogue
337, SD 1, HD 1	Sakamoto, Chair; Taniguchi, Co-Chair; Hooser, Kawamoto, Hogue	745, SD 2, HD 2	Baker/Kokubun, Co-Chairs; Chun Oakland, English, Taniguchi, Tsutsui
354, SD 2, HD 2	English, Chair; Kokubun, Co-Chair; Kim, Taniguchi, Hemmings	837, SD 1, HD 2	Fukunaga/Kanno, Co-Chairs; Aduja, Ige, Ihara, Trimble
359, SD 2, HD 2	Fukunaga/Ige/Taniguchi, Co-Chairs; Aduja, Hooser, Kim, Kokubun, Trimble	855, SD 1, HD 3	English, Chair; Taniguchi, Co-Chair; Hooser, Kokubun, Tsutsui, Hemmings
373, SD 1, HD 2	Menor, Chair; Espero, Whalen	919, SD 1, HD 2	English, Chair; Taniguchi, Co-Chair; Chun Oakland, Hooser, Kokubun, Tsutsui, Hemmings
402, SD 2, HD 2	Sakamoto/Baker/Taniguchi, Co-Chairs; Chun Oakland, Hogue	1034, SD 1, HD 2	Inouye/Kokubun, Co-Chairs; Espero, Taniguchi, Tsutsui, Whalen
420, SD 1, HD 1	Taniguchi, Chair; Kawamoto, Kokubun, Tsutsui, Hemmings	1077, SD 1, HD 1	Menor, Chair; Baker, Whalen
457, SD 1, HD 1	Baker/Taniguchi/Chun Oakland, Co- Chairs; Kawamoto, Kokubun, Hogue	1088, SD 2, HD 2	Baker/Chun Oakland/Kokubun, Co- Chairs; Taniguchi, Tsutsui
		1172, SD 2, HD 2	Fukunaga/Kawamoto/Kokubun, Co- Chairs; Ihara, Inouye, Kim, Taniguchi, Trimble
		1237, SD 1, HD 2	Sakamoto, Chair; Taniguchi, Co-Chair; Chun Oakland, Hooser, Hogue
		1239, SD 1, HD 2	English, Chair; Kokubun, Co-Chair; Baker, Hooser, Kim, Taniguchi
		1281, SD 1, HD 1	Inouye/Espero, Co-Chairs; English, Whalen
		1305, SD 1, HD 1	Taniguchi, Chair; Kim, Kokubun, Tsutsui, Hemmings
		1309, SD 2, HD 2	Kanno, Chair; Taniguchi, Co-Chair; Kawamoto, Kokubun, Slom
		1311, SD 1, HD 1	Taniguchi, Chair; Kokubun, Sakamoto, Tsutsui, Hemmings
		1319, SD 1, HD 3	Menor, Chair; Espero, Whalen

1321, HD 2	Baker/Menor, Co-Chairs; Chun Oakland	32, HD 2, SD 2	Sakamoto, Chair; Taniguchi, Co-Chair; Chun Oakland, Hooser, Hogue
1332, SD 2, HD 2	Kanno, Chair; Taniguchi, Co-Chair; Kawamoto, Kokubun, Tsutsui	50, HD 2, SD 1	Kanno, Chair; Taniguchi, Co-Chair; Kawamoto, Kokubun, Tsutsui, Hemmings
1373, SD 1, HD 1	Kanno, Chair; Taniguchi, Co-Chair; Kawamoto, Kokubun, Slom	75, HD 2, SD 1	Menor, Chair; Espero, Whalen
1381, SD 1, HD 2	Sakamoto, Chair; Taniguchi, Co-Chair; Chun Oakland, Kawamoto	96, HD 1, SD 1	Menor, Chair; Baker, Espero, Whalen
1394, SD 2, HD 1	Taniguchi, Chair; Kokubun, Tsutsui, Hemmings	130, HD 1, SD 2	Kanno, Chair; Taniguchi, Co-Chair; Kawamoto, Kokubun, Tsutsui, Hogue
1395, SD 1, HD 1	Taniguchi, Chair; Kokubun, Tsutsui, Hemmings	140, HD 1, SD 1	Menor, Chair; Kawamoto, Co-Chair; Espero, Whalen
1397, SD 1, HD 2	Taniguchi, Chair; Kokubun, Tsutsui, Hemmings	155, HD 2, SD 2	Inouye/Espero/Kokubun, Co-Chairs; English, Taniguchi, Whalen
1399, SD 2, HD 2	Baker/Chun Oakland/Kokubun, Co- Chairs; Taniguchi, Tsutsui	192, HD 1, SD 1	Inouye/Hanabusa, Co-Chairs; English, Espero, Hooser, Hemmings
1400, SD 1, HD 1	Taniguchi, Chair; Kokubun, Tsutsui, Hemmings	248, HD 1, SD 1	Kanno/Sakamoto, Co-Chairs; Chun Oakland, Hooser, Kawamoto, Taniguchi, Slom
1432, SD 2, HD 2	Inouye/Kokubun, Co-Chairs; Espero, Hooser, Taniguchi, Whalen	281, HD 1, SD 2	Sakamoto, Chair; Taniguchi, Co-Chair; Kawamoto, Tsutsui, Hogue
1496, HD 1	Inouye/Espero/Kokubun, Co-Chairs; Taniguchi, Tsutsui, Whalen	289, HD 2, SD 2	Sakamoto, Chair; Taniguchi, Co-Chair; Hooser, Kawamoto, Hogue
1519, SD 1, HD 2	Baker/Taniguchi, Co-Chairs; Chun Oakland, English, Kim, Kokubun	290, HD 2, SD 1	Kanno, Chair; Taniguchi, Co-Chair; Kawamoto, Kokubun, Tsutsui
1594, HD 1	Inouye/Hanabusa, Co-Chairs; Aduja, Whalen	292, HD 2, SD 2	Sakamoto, Chair; Taniguchi, Co-Chair; Hooser, Kawamoto, Hogue
1619, SD 2, HD 2	Fukunaga/Kawamoto/Taniguchi, Co- Chairs; Inouye, Kanno, Sakamoto, Trimble	293, HD 1, SD 2	Inouye/Espero/Kokubun, Co-Chairs; Aduja, English, Taniguchi, Whalen
1621, HD 1	Taniguchi, Chair; Kim, Kokubun, Tsutsui, Hemmings	294, SD 1	Kanno, Chair; Taniguchi, Co-Chair; Kawamoto, Kokubun, Tsutsui
1675, HD 3	Baker/Taniguchi, Co-Chairs; Chun Oakland, Inouye, Kokubun	314, HD 1, SD 2	Sakamoto, Chair; Taniguchi, Co-Chair; Kawamoto, Menor, Hogue
Sen. Com. No. 727, dated April 14, 2003, informing the House that the Senate has reconsidered its action taken on April 8, 2003 in disagreeing to the amendments proposed by the House to the following Senate Bill and has moved to agree to the amendments, and that said bill has this day, passed Final Reading:		317, HD 2, SD 2	Kanno/Sakamoto/Taniguchi, Co-Chairs; Kawamoto, Tsutsui, Slom
S.B. No. 1405, HD 1 RELATING TO [COMMERCIAL] DRIVER LICENSING		320, HD 2, SD 1	Sakamoto, Chair; Taniguchi, Co-Chair; Hooser, Tsutsui
Sen. Com. No. 728, dated April 15, 2003, informing the House that the President has appointed as conferees on the part of the Senate for the consideration of amendments proposed by the Senate to the following House Bills:		418, HD 1, SD 2	Sakamoto, Chair; Taniguchi, Co-Chair; Hooser, Tsutsui, Hogue
		426, HD 1, SD 2	Inouye/Taniguchi, Co-Chairs; Aduja, Espero, Kokubun, Whalen
		507, HD 3, SD 1	Kanno, Chair; Taniguchi, Co-Chair; Kawamoto, Kokubun, Tsutsui, Slom
H.B. Nos.	Senators	531, SD 1	Kanno, Chair; Taniguchi, Co-Chair; Kawamoto, Kokubun, Tsutsui
21, HD 1, SD 2	Fukunaga/Kawamoto/Taniguchi, Co- Chairs; Aduja, Ige, Kokubun, Whalen	595, HD 1, SD 1	Menor, Chair; Espero, Whalen
29, HD 1, SD 1	Kanno, Chair; Taniguchi, Co-Chair; Kawamoto, Kokubun, Tsutsui		

620, HD 1, SD 1	Sakamoto/Kawamoto/Taniguchi, Co-Chairs; Kokubun, Hogue	1217, HD 1, SD 1	Baker/Hanabusa, Co-Chairs; Chun Oakland, Tsutsui, Hogue
638, HD 1, SD 2	Sakamoto, Chair; Taniguchi, Co-Chair; Chun Oakland, Kawamoto, Whalen	1225, SD 2	Taniguchi, Chair; Hanabusa, Kawamoto, Kim, Kokubun, Hemmings
651, HD 2, SD 1	Baker/Hanabusa, Co-Chairs; Chun Oakland, Hogue	1285, HD 1, SD 1	Inouye/Hanabusa, Co-Chairs; Aduja, English, Hogue
714, HD 1, SD 2	Sakamoto, Chair; Hanabusa/Taniguchi, Co-Chairs; Hooser, Kawamoto, Hogue	1362, SD 1	Sakamoto, Chair; Taniguchi, Co-Chair; Chun Oakland, Kawamoto, Hemmings
730, SD 1	Menor, Chair; Baker, Espero, Whalen	1405, HD 1, SD 2	English, Chair; Kokubun, Co-Chair; Kim, Hemmings
968, HD 1, SD 1	Kanno, Chair; Taniguchi, Co-Chair; Kawamoto, Kokubun, Tsutsui	1506, HD 1, SD 1	Sakamoto, Chair; Taniguchi, Co-Chair; Hooser, Tsutsui
986, HD 2, SD 2	Kanno, Chair; Taniguchi, Co-Chair; Kawamoto, Kokubun, Tsutsui	1509, HD 2, SD 2	Inouye/Taniguchi/Espero, Co-Chairs; Aduja, Kokubun
1013, HD 3, SD 2	Kanno, Chair; Taniguchi, Co-Chair; Kawamoto, Kokubun, Tsutsui	1554, HD 1, SD 2	Kawamoto, Chair; Kim/Taniguchi, Co-Chairs; Baker, Kokubun
1021, HD 1, SD 2	Sakamoto/Hanabusa/Kokubun, Co-Chairs; Hooser, Hemmings	1579, HD 1, SD 2	Fukunaga/Taniguchi/Kawamoto, Co-Chairs; Aduja, Hooser, Kim, Kokubun
1041, SD 1	Kanno, Chair; Taniguchi, Co-Chair; Kawamoto, Kokubun, Tsutsui	1594, HD 1, SD 1	Menor, Chair; Espero, Whalen
1042, SD 1	Kanno, Chair; Taniguchi, Co-Chair; Kawamoto, Kokubun, Tsutsui	1613, HD 2, SD 1	Inouye/Taniguchi, Co-Chairs; Aduja, Espero, Kokubun, Whalen
1043, SD 1	Kanno, Chair; Taniguchi, Co-Chair; Kawamoto, Kokubun, Tsutsui	1628, HD 1, SD 2	Fukunaga/Kawamoto, Co-Chairs; Aduja, Ige, Kokubun, Sakamoto, Hemmings
1044, SD 1	Kanno, Chair; Taniguchi, Co-Chair; Kawamoto, Kokubun, Tsutsui	<p style="text-align: center;">DEPARTMENTAL COMMUNICATION</p> <p>The following departmental communication (Dept. Com. No. 48) was received by the Clerk and was placed on file:</p> <p>Dept. Com. No. 48, from Chiyome L. Fukino, M.D., Director of Health, transmitting their 2002 Primary Care Needs Assessment Databook.</p>	
1045, SD 1	Kanno, Chair; Taniguchi, Co-Chair; Kawamoto, Kokubun, Tsutsui		
1046, SD 1	Kanno, Chair; Taniguchi, Co-Chair; Kawamoto, Kokubun, Tsutsui		
1047, SD 1	Kanno, Chair; Taniguchi, Co-Chair; Kawamoto, Kokubun, Tsutsui		
1157, SD 2	Kanno, Chair; Taniguchi, Co-Chair; Kawamoto, Kokubun, Tsutsui		
1160, HD 1, SD 1	Menor, Chair; Espero, Whalen	<p style="text-align: center;">INTRODUCTIONS</p> <p>The following introductions were made to the members of the House:</p> <p>Representative Nishimoto introduced 6th grade students from La Pietra School; their teachers, Ms. Amy Yamamoto, Ms. Jessica Crew; and parent Mrs. Laybon.</p> <p>Representative Luke introduced members of the Millennium Democratic Party dongdaemun(eul) of South Korea: Mr. In-Hoe Huh, Chairman; Mr. Young-Nam Ju and Mr. Toung-Tae Kwon, Assistants; and escort, Mr. Jae Lee.</p>	
1161, HD 1, SD 1	Menor, Chair; Baker, Espero, Whalen		
1165, HD 2, SD 1	Menor, Chair; Espero, Whalen	<p>Representative Nishimoto introduced the 51st Cherry Blossom Queen and her court: Queen Heather Suehiro; 1st Princess Lisa Kitagawa; Princesses Lyndsey Haraguchi and Ms. Stacy Sacie Sato; and Miss Congeniality Ayja Nakasone. Also recognized were Princess Alana Anderson and Miss Popularity Kristen Ross. They were accompanied by Mr. Devon Nekoba, Executive Vice President, Honolulu Japanese Chamber of Commerce.</p> <p>Representative Takai introduced Mr. David Shreve, Sr. Director, NCSL Education Committee.</p>	
1175, HD 2, SD 1	Sakamoto, Chair; Taniguchi, Co-Chair; Hooser, Tsutsui, Hogue		
1176, HD 1, SD 1	Sakamoto, Chair; Taniguchi, Co-Chair; Hooser, Kawamoto, Hemmings		
1212, HD 1, SD 1	Inouye/Espero, Co-Chairs; English, Whalen		
1214, HD 2, SD 2	Inouye/Hanabusa, Co-Chairs; English, Espero, Whalen		

ORDER OF THE DAY**COMMITTEE REASSIGNMENTS**

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

H.B.
Nos.**Re-referred to:**

668, SD 2	Committee on Judiciary, then to the Committee on Finance
1182, HD 2, SD 2	Committee on Health, then to the Committee on Transportation, then to the Committee on Consumer Protection and Commerce, then to the Committee on Judiciary, then to the Committee on Finance

The following Senate Concurrent Resolutions were re-referred to committee by the Speaker:

S.C.R.
Nos.**Re-referred to:**

12	Committee on Human Services and Housing and the Committee on Health, then to the Committee on Finance
40, SD 1	Committee on Transportation, then to the Committee on Finance
86, SD 1	Committee on Judiciary
116, SD 1	Committee on Health, then to the Committee on Finance
130, SD 1	Committee on Legislative Management
150	Committee on Finance
181	Committee on Finance

UNFINISHED BUSINESS

The following resolution (H.R. No. 202) was announced by the Clerk and the following action taken:

H.R. No. 202, entitled: "HOUSE RESOLUTION AMENDING HOUSE RULE 16 TO REQUIRE A CONFERENCE COMMITTEE TO REPORT ON A MEASURE WHEN A MAJORITY OF COMMITTEE MEMBERS OF BOTH CHAMBERS CONCUR IN THE REPORT," was jointly offered by Representatives Fox, Thielen, Marumoto, Moses, Blundell, Halford, Bukoski, Leong, Stonebraker, Meyer, Finnegan, Ching, Ontai, Pendleton and Sonson.

Representative Fox moved that H.R. No. 202 be adopted, seconded by Representative Meyer

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

"Thank you, Mr. Speaker. This resolution is very similar to a resolution that was introduced in the Senate. The purpose of the resolution is to get us back where we were before this year

with the rules that affect both bodies in the Conference Committees. And by getting this back, I mean get us back to the situation where a majority of the Committee on each side determines what happens in Conference Committee with the exception that when financial matters are involved, the person representing the Finance Committee, whether it is the Chair of the Finance Committee or the Chair's designee. If they oppose the Conference Committee report, then the report fails. In all other cases the majority will prevail.

"Let me make it clear, the instance that has changed by the current set of rules that this resolution proposes to amend. That situation is, any situation in which you have two Conference Committee Chairs, neither of which represents the Finance Committee. Under the current set of rules that we are trying to amend, both Chairs must approve the measure for the measure to pass. Because the rules require that a majority of the Chairs must favor passage. We propose to change so that we go back to the situation where we were last year where it is a majority of the Committee, including the Chairs, that determines whether or not something passes. If we don't make that change, then any Chair who is not a Finance Committee Chair, can kill a bill simply by opposing it his or herself. That's all that it takes to oppose the bill.

"I want to draw the Members' attention to the final 'Be it resolved' on page 2 of this resolution. This paragraph sets out in very clear terms the continuing power of the Finance Committee to veto measures that it feels do not fall within the guidelines of the budget. It says, 'Be it further resolved that to ensure House passage of a balanced budget, the Chair of the Finance Committee, or the chair's designee, may continue to exercise veto power over fiscal legislation in conference committee as has long been the practice in the House of Representatives;...'

"So it is a very important paragraph that makes it clear that all we're talking about is a situation where we have two Chairs, neither of them represent the Finance Committee, and we would take away the ability of either of those two Chairs to veto legislation that a majority of the House side wants. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. Mr. Speaker, I am caught in a very difficult situation. I am one of the co-sponsors of this resolution. I am standing in support of the intent, however I am voting no on this measure, and here are the reasons, Mr. Speaker.

"We all should support the intent of this resolution. We all should believe that democracy is important and we should always make sure that when it is proper, democracy is carried out with the one man, one vote. Democracy rule will be carried out. However the problem with this measure, the amendment to Rule 16 does not exempt fiscal Chairs. Although the part of the resolution says, 'Be it resolved,' technically that is not part of the amendment. The amendment is simply the Rule stated within the body. If it did say that it exempts Chairs on that particular part of the amendment, to the rule, then I guess I am more than likely to vote for it. There is a very strong reason why we should be very careful to amend the rules to exclude the fiscal chairs. We have a constitutional obligation to create a balanced budget. It is the fiscal Chairs who are charged with this responsibility. Without them having the ability to veto, of course, where would be?

"I'd like to address the point where the Minority or the previous speaker where this change is important. So I think we need to take a look at their concern. When you face the

situation when there are two Chairs, and you have another member, the bill, the measure is supposed to make sure that democracy is carried out. So when you have a majority of those, like 2 out of the 3, the measure will pass. Under our current Rule, it will not if one of the Chairs will not vote for it. There will be a situation when there are two Chairs and one member. However we still have to take a look at who the Chairs are. That is why this is a very complex problem. It is not as simple as that. If one of the Chairs represents a committee of 15 and one of the Chairs represents a committee of 5 there will be an imbalance. So you might say why does one Chair overruling a Chair and a Member where obviously in a situation where you have a chair representing 5 Members in the committee and another Member, that is 6. There is going to be an imbalance there is no democracy in that particular situation. So you think a quick fix to the problems of existing rules such as one proposed here is not right. I do believe that we should find a way to amend the Rules to make sure we do have a democratic process in that the public is educated in what we are doing in conference.

"Last point, Mr. Speaker, is that this resolution is actually moot. As I understand it, the Senate took this same measure and did not pass it. It takes two to tangle. If the Senate doesn't want to change the rule, obviously Mr. Speaker, we cannot on our own. So all the debate today if there is going to be anymore debate on this is simply shot in all. Thank you very much."

At 12:20 o'clock p.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 12:21 o'clock p.m.

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

"Thank you, Mr. Speaker. In favor. Just some brief comments. Perhaps I misunderstood a part of what the previous speaker said, and my apologies if I do misunderstand. This resolution is clear that the money Chair has veto power over fiscal issues. I thought perhaps the previous speaker had said that it is not. And it doesn't matter. I just wanted to make that point clear. And my apologies if I misunderstand that point, or misunderstood what was previous said.

"Also Mr. Speaker, this is our current Rule which is a system that makes equal Members of this body unequal. We come into this Body each with one equal vote. Our current Rule gives extraordinary power to a few to the diminishment of the rest of the Members. And for that reason I see it as a corrosive to the spirit and the intent of American-style democracy. And corrosive to those Members in that it actually diminishes, and in that respect I am going to be surprised to see this vote fails because it is going to just ... This resolution will be opposed by Members who actually would be helped if it was passed. And in that regard I am going to be surprised, but I actually am expecting that enough of us will fold our hands and allow this good resolution to fail."

At this time, Representative Halford requested roll call vote at the appropriate time.

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

"Mr. Speaker, I rise in opposition to this resolution. I have a couple of points to make.

"The first is in response to the Representative from Kihei. The Representative from Waipahu is correct. What is important is what kind of language is contained in the Rule change. Not necessarily what is in the 'Whereas' clauses of the resolution before us, but what exactly is the rule doing. The proposed rule makes no mention whatsoever of the fiscal Chair's ability to oversee bills in Conference Committee. It does not matter whether or not the intent of the resolution is to provide for that continued coverage through a 'Whereas' clause, or through a 'Be it further resolved' clause. If the rule doesn't mention it, then it will no longer be the practice of this House to continue the fiscal Chair's oversight.

"The second point that I wanted to make is that even though the proponents of this resolution have couched their intent in terms of improving the process and going back a year, and trying to adopt a former practice of the House. The resolution before us actually does just the opposite. I think we should be very proud of the fact that over the past 6 to 7 years, the House and the Senate, and the House in particular, have opened up the process during the Conference Committees, and we have adopted rules and procedures which require: that our Committees meet in public. That they deliberate upon legislation in public; that they explain proposed amendments in public; that they make decisions in public; and that they vote in public.

"I oppose this resolution because the effect of this resolution will undo all of this public decision-making. And in explaining that, I'd like to make a very fine distinction that is contained in our Rules and in our procedures, and it is a distinction that I believe that was lost by the drafters of this resolution. It was overlooked, and the fact that they overlooked this distinction really creates the opposite effect of what they are intending to do.

"I wanted to distinguish between the Conference Committees voting procedure versus its procedure in issuing Committee reports. The current Rules, the procedures, require that a majority of Chairs and Managers must vote in public in favor of a proposed amendment. The Committee report only attests to the vote that was taken in public. It is the public vote that triggers the passage of a bill out of Conference Committee. The resolution is crafted in terms of focusing of the importance of equal voting power during the public hearing process when the Conferees take a vote. But the rule does not address that particular point. It focuses on the Committee report.

"I'd like to read the Rule just for edification. This is the proposed rule:

A Conference Committee shall report upon the matter referred when a majority of the members of each house appointed by the respective presiding officer have concurred in the report. Any conference committee procedure that adds or detracts from this requirement shall be void.

"This proposed rule basically blurs the distinction between voting and the issuance of a Committee report. It reverses the process that we have in place now. It basically turns the decision-making process on its head, because what it does is it will require that a Conference Committee decision be made by the signing and the reporting of the Committee report and it will void our existing rules and procedures which govern public decision-making, public deliberations, and public voting, because those public decision-making requirements will add or detract from a proposed rule in this resolution. So in other words, this resolution will really turn back the clock significantly will take us back to the 'stone age' and will destroy all of the advances that we have made in terms of public decision-making.

"I am sure that there are Members who recall the days of past years where decisions were made in back rooms. Where decisions were not made in public. This resolution will allow that to occur once again. It will allow Members to manipulate legislation behind the scenes. The Conferees will be asked to approve legislation by signing Committee Reports without the benefit of public discussion and without a clear understanding of what is in the legislation. Even in situations where there is a public agreement at the table, Conferees could avoid approving the legislation in the end by making themselves unavailable and without signing the committee report.

"I am sure Mr. Speaker, that I speak on behalf of our Democratic Caucus that we do not want to turn back the clock. That we want to continue to make advances in terms of public decision-making, particularly when it comes to Conference Committees. We do not want to return to the 'stone age' and it is for those reasons that I oppose this resolution."

Representative Halford rose to respond, stating:

"Mr. Speaker, I find it incredible the interpretation and characterization of this resolution by the previous speaker. The resolution is very clear and is very clear about the position of the money chair. And is very clear about its intention to retain the good features of Conference Committees that we've adopted in the past. It takes some incredible legal mind to parse the words so closely to interpret that it would come out to be all those bad things as the previous speaker said.

"If I could quote a previous political attorney who said, who had the audacity to say, 'It depends on what the meaning of the word 'is', is.' It is with that kind of logic that this good resolution was just trashed by the previous speaker. This is a good resolution. It is forward-looking. It is constructive for democracy in Hawaii. And I guess you can hear in my voice my frustration at the parsing of words, and nowhere in that discussion was then some constructive friendly amendment that might have put another word, that might have been parsed constructively, so that we could achieve the good results that we are trying to achieve here. Thank you."

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

"Thank you, Mr. Speaker. I am rising in support. I take some umbrage to the Majority Leader's comments that this would send us back to the 'dark ages'. If you look at Rule 16.4, that is the Rule that talks about the public hearings. None of that has changed. None of that is touched or affected in any manner by this resolution before us. All we are doing is adding a new portion of the existing rule, which talks about the Conference Committee Chair's vetoes. It has no affect at all of going back on the good work of this Body.

"I would also point out to the Representative from Waipahu that we don't need the Senate's action on this measure. This is affecting the House Rules and it has been long standing procedures by this Body to effect our own rules regardless of what the Senate may or may not do. So that objection is invalid. Thank you, Mr. Speaker."

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

"Yes, thank you very much, Mr. Speaker. I speak against the resolution. However, I take umbrage with some of the statements that the Majority Leader has made referring to the past and the 'dark ages'. I may be a part of the 'dark ages'. I want the Majority Leader to understand, and the Members to understand that the opening of the Committee hearings was done during my administration. Thank you very much."

Representative Sonson rose to respond, stating:

"Thank you very much, Mr. Speaker. This is my second time to stand up because I think that it is important that I respond to the good Representative from Kapolei. I thank him for educating me. I guess I was wrong after all, and I could be wrong again. I thank him for telling me that if we are to pass this today, really, its passage is not dependent of concurrence of the Senate.

"But what it does do however, is that it will make sure that we will not have a rule altogether. If that rule does not exist between us and the Senate, we will be stuck with what we have. The default is Mason's Rules of Order which says, 'majority rules'. And it does not say anything about the ability of the fiscal chair to veto anything. Then we'll be stuck. I think that they agree, as we do in the Majority Caucus side, that the fiscal Chair's responsibility is a tremendous one, and I think we should preserve that. And that is why I thank him for that education, but however I still will have to vote no."

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

"Mr. Speaker, I speak in opposition to the measure. Mr. Speaker, this resolution nullifies the requirement that the majority of Conference Chairs of a particular Conference Committee must vote in favor to report a measure out of that Conference Committee. Instead this measure seeks to require a simple majority of Conference Committee members to report a measure out regardless of the positions of a Conference Committee Chairs. Couched under the cloak of 'equal voting power', and other lofty rhetoric, this measure in reality undermines the authority of the Chairs to speak on behalf of Committee members.

"Mr. Speaker, the current system of requiring a majority of a quorum of all members of the Conference Committee and requiring a majority of all Conference Chairs for that Committee is a prudent system that fairly balances the interest and authority of Committees and individual members. The Chairs do in fact have more leverage under this system. However they do so because they carry the burden and responsibility of representing more than just their individual interest. They carry the force and weight of the Committees they represent. Their vote should have more emphasis.

"It should also be pointed out that the Rules were changed last year to allow measures to be reported out of Conference with the majority of Chairs concurring, instead of all Chairs, thereby diluting some of the veto power of the Conference Chairs.

"Mr. Speaker, this really isn't about equal voting power. We all know that America is a representative democracy, not a pure one. The electoral college elects our President, not the results of the popular votes, a fact that was made very crystal clear in 2000. And every level of government from the United States Congress on down to state and local Legislatures and Assemblies, power is concentrated in the hands of those who represent the interest of others. Majority and Minority Leaders, Presidents, Whips, Speakers and Committee Chairman of political parties. Yet, our country and our State has managed to overcome these supposed barriers pretty well in my opinion. In conclusion I urge colleagues to oppose this measure."

Representative Saiki rose and stated:

"I rise on a point of clarification. I would like to thank the Speaker Emeritus for his comments. I acknowledge that. Improvements were made at the time that he was Speaker of

the House. When I referred to the 'stone age,' I was referring to Fred Flinstone not to the Speaker Emeritus."

Representative Fox rose to respond, stating:

"Thank you Mr. Speaker in brief rebuttal. The 'dark ages' were around 500 to 1,500 AD. The 'stone age' which the Majority Leader mentioned is before the beginning of civilization, so he really does go to an extreme in casting us back to that period.

"The key issue here is democracy. I appreciate the enlightenment of the Majority Floor Leader in telling us we don't have to be too concerned about democracy. That is the principle upon which this Body is founded. We have 51 members. We each represent 1/51 of the State. It takes a majority of this Body to do business. That is the way Mason's law is written over and over again. In Mason's law we return to the principle of 'majority rules'. And that is what we suffer under: majority rule. So let's be clear about the principle that is, in effect, the main principle.

"As I look at this sheet that is handed to me today. Look at the first page. There is one bill on here that has a dollar sign. It is a fiscal bill. And one of the Co-Chairs is the representative of the Finance Committee. It is pretty clear that in that instance, that the person from the Finance Committee, under our resolution, would have the power to stop the measure. Every other Conference Committee, House Conference Committee, on this first sheet, has four members: two Chairs and two members. In every other case, every other bill on that sheet, one person can overrule the opinion of the other three. That is definitely not democracy. It is what I am here to fight, and I will keep fighting it. Thank you, Mr. Speaker."

The request for a roll call vote was approved by unanimous consent.

Roll call having been approved, the motion that H.R. No. 202, entitled: "HOUSE RESOLUTION AMENDING HOUSE RULE 16 TO REQUIRE A CONFERENCE COMMITTEE TO REPORT ON A MEASURE WHEN A MAJORITY OF COMMITTEE MEMBERS OF BOTH CHAMBERS CONCUR IN THE REPORT," be adopted, was put to vote by the Chair and failed to carry on the following show of Noes and Ayes:

Noes, 34: Representatives Abinsay, Arakaki, Caldwell, Chang, Evans, Hale, Hamakawa, Hiraki, Ito, Kahikina, Kaho'ohalahala, Kanoho, Karamatsu, Kawakami, Lee, Luke, Magaoay Mindo, Morita, Nakasone, Nishimoto, B. Oshiro, M. Oshiro, Saiki, Say, Schatz, Shimabukuro, Sonson, Souki, Takamine, Takumi, Tamayo, Wakai, and Waters.

Ayes, 15: Representatives Blundell, Bukoski, Ching, Finnegan, Fox, Halford, Jernigan, Leong, Marumoto, Meyer, Moses, Ontai, Pendleton, Stonebraker and Thielen.

Excused, 2: Representatives Herkes and Takai.

STANDING COMMITTEE REPORTS

Representative Arakaki, for the Committee on Health presented a report (Stand. Com. Rep. No. 1628), recommending that S.C.R. No. 132, SD 1, as amended in HD 1, be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 132, SD 1, HD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING A

STUDY OF PROPOSED MANDATORY HEALTH INSURANCE COVERAGE FOR CERTAIN PROVIDERS OF DIABETES EDUCATION," was referred to the Committee on Finance, with Representatives Herkes and Takai being excused.

Representative Hiraki, for the Committee on Consumer Protection and Commerce presented a report (Stand. Com. Rep. No. 1629) recommending that S.C.R. No. 106, be adopted.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 106, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS TO RECOGNIZE ON-LINE COURSES FROM ACCREDITED INSTITUTIONS," was adopted, with Representatives Herkes and Takai being excused.

ANNOUNCEMENTS

Representative Leong: "Thank you, Mr. Speaker. I would like to announce that today is the pickup day for the wonderful baskets that we have all so graciously donated to the Institute of Human Services. We will be handing these baskets to the principals of the Institute at 2:30 in the vestibule of the Chamber level across from the Auditorium.

"As of this writing, we have met our goal of 251 baskets. Items range from cleaning supplies to infant diapers, food items, personal hygiene, white goods such as towels and washcloths. The Women's Caucus is truly grateful. There are so many to thank, but the staff and office of the Legislative Reference Bureau has truly out-performed. They donated a total of 62 wonderful baskets for the Institute of Human Services.

"In the gallery sits Ken Takayama and JoAnn Taira. Thank you so much. And my office manager, Roberta. Also we wish to thank Ken, Myra Shozuya, Lisa Santos, Mona Nakayama and Mona Sakata-Ho for such generous participation. Your efforts are greatly appreciated. I have this trophy for you and your staff, and you've done so much for the Institute. We are going to send it to your office later on and it will be delivered. The Women's Caucus thanks all of you for your wonderful participation. Thank you so much, Speaker Say."

Representative B. Oshiro for the Committee on Judiciary requested a waiver of the 48-hour hearing notice for the purpose of hearing a certain Senate concurrent resolution, and the Chair "so ordered."

Representative B. Oshiro: "This will be heard tomorrow at the Judiciary's 2:00 hearing. We will be adding on the additional resolution SCR No. 86, SD 1, dealing with the taskforce to determine whether Hawaii should enact three strikes."

Representative Caldwell: "Mr. Speaker, the Committee on Transportation will be meeting today at 1:30 just for decision-making on the two Senate Concurrent Resolutions that we heard this morning. It will be held in conference room 312."

HOUSE COMMUNICATION

House Communication dated April 16, 2003, from Patricia Mau Shimizu, Chief Clerk of the House of Representatives to the Honorable President and Members of the Senate of the State of Hawaii, informing the Senate that the Speaker has this day appointed as Conferees on the part of the House for the

consideration of amendments proposed by the Senate to the following House Bills:

H.B. 620, Evans/Takamine, Co-Chairs;
HD 1, SD 1 Mindo, Ontai

H.B. 714, Takumi/Hamakawa/Takamine, Co-Chairs;
HD 1, SD 2 Meyer

H.B. 1175, Takumi/Takamine, Co-Chairs;
HD 2, SD 1 Evans, Ontai

House Communication dated April 16, 2003, from Patricia Mau Shimizu, Chief Clerk of the House of Representatives to the Honorable President and Members of the Senate of the State of Hawaii, informing the Senate that the House has made the following changes to the conferees on the following measures:

H.B. 139, Added Representative Halford as a manager.
HD 1, SD 1

H.B. 512, Added Representative Halford as a manager
HD 1, SD 2

H.B. 1532, Discharged Representative Tamayo as second
HD 2, SD 2 Co-Chair.
Added Representative Tamayo as a manager.
Discharged Representative Karamatsu as a manager.
Added Representative Karamatsu as a second Co-Chair.

S.B. 635, Added Representative Halford as a manager
SD 2, HD 2

S.B. 1088, Added Representative Halford as a manager
SD 2, HD 2

House Communication dated April 16, 2003, from Patricia Mau Shimizu, Chief Clerk of the House of Representatives to the Honorable President and Members of the Senate of the State of Hawaii, informing the Senate that the House has made the following changes to the conferees on the following measures:

H.B. 968, Discharged Representative Moses as a
HD 1, SD 1 manager.
Added Representative Meyer as a manager.

S.B. 209, Discharged Representative Blundell as a
SD 3, HD 1 manager.
Added Representative Moses as a manager.

S.B. 377, Discharged Representative Meyer as a
SD 1, HD 2 manager.
Added Representative Moses as a manager.

S.B. 1381, Discharged Representative Ontai as a
SD 1, HD 2 manager.
Added Representative Moses as a manager.

S.B. 1403, Discharged Representative Moses as a
HD 1 manager.
Added Representative Blundell as a manager.

House Communication dated April 16, 2003, from Patricia Mau Shimizu, Chief Clerk of the House of Representatives to the Honorable President and Members of the Senate of the State of Hawaii, informing the Senate that the Speaker has this day appointed as Conferees on the part of the House for the consideration of amendments proposed by the Senate to the following House and Senate Bills:

H.B. 1579, Schatz/Takamine, Co-Chairs;
HD 1, SD 2 Wakai, Leong

S.B. 254, Kanoho/Kaho'ohalahala, Co-Chairs;
SD 2, HD 1 Waters, Moses

House Communication dated April 16, 2003, from Patricia Mau Shimizu, Chief Clerk of the House of Representatives to the Honorable President and Members of the Senate of the State of Hawaii, informing the Senate that the House has made the following changes to the conferees on the following measure:

H.B. 1021, Discharged Representative Wakai as third Co-
HD 1, SD 2 Chair.
Added Representative Kaho'ohalahala as third Co-Chair.

ADJOURNMENT

At 12:44 o'clock p.m. on motion by Representative Lee, seconded by Representative Meyer and carried, the House of Representatives adjourned until 12:00 o'clock noon tomorrow, Thursday, April 17, 2003. (Representatives Herkes and Takai were excused.)

FIFTY-THIRD DAY

Thursday, April 17, 2003

The House of Representatives of the Twenty-Second Legislature of the State of Hawaii, Regular Session of 2003, convened at 12:09 o'clock p.m., with the Vice Speaker presiding.

The invocation was delivered by Representative Brian Schatz, after which the Roll was called showing all members present.

On motion by Representative Lee, seconded by Representative Meyer and carried, reading of the Journals was dispensed with and the Journals of the Thirty-Eighth, Thirty-Ninth, Fortieth, Forty-First, Forty-Second, Forty-Third and Forty-Fourth Days were approved. (Representative Jernigan was excused.)

GOVERNOR'S MESSAGE

The following message from the Governor (Gov. Msg. No. 243) was received and announced by the Clerk and was placed on file:

Gov. Msg. No. 243, formally retracting the recommendation for immediate passage of House Bill No. 1180 entitled, "MAKING AN EMERGENCY APPROPRIATION FOR THE DEPARTMENT OF HEALTH, HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA) COMPLIANCE." The Department of Health recently identified unanticipated FY 2003 general fund savings in the Adult Mental Health Division and Family Health Services Division.

SENATE COMMUNICATIONS

The following communications from the Senate (Sen. Com. Nos. 729 through 735) were received and announced by the Clerk:

Sen. Com. No. 729, dated April 16, 2003, informing the House that the Senate has reconsidered its action taken on April 8, 2003 in disagreeing to the amendments proposed by the House to the following Senate Bills and has moved to agree to the amendments, and that said bills have this day, passed Final Reading:

S.B. 42, RELATING TO WATERCRAFT.
SD 1, HD 1

S.B. 1107, RELATING TO CHAPTER 711,
SD 1, HD 1 HAWAII REVISED STATUTES

Sen. Com. No. 730, dated April 16, 2003, informing the House that the Senate has reconsidered its action taken on April 10, 2003 in disagreeing to the amendments proposed by the House to the following Senate Bills and has moved to agree to the amendments, and that said bills have this day, passed Final Reading:

S.B. 1075, RELATING TO CONTESTED CASES
SD 1, HD 1

S.B. 1156, RELATING TO THE OFFICE OF
HD 2 HAWAIIAN AFFAIRS

Sen. Com. No. 731, dated April 16, 2003, informing the House that the Senate has reconsidered its action taken on April

2, 2003 in disagreeing to the amendment proposed by the House to the following Senate Bill and has moved to agree to the amendment, and that said bill has this day, passed Final Reading:

S.B. 1361, RELATING TO PRESCRIPTION
SD 2, HD 1 DRUGS

Sen. Com. No. 732, dated April 16, 2003, informing the House that the Senate has discharged all Senate conferees for the following House Bill:

H.B. 1307, Discharges Taniguchi and Hanabusa as
HD 1, SD 1 Co-Chairs;
Discharges Kokubun and Hemmings as managers.

Sen. Com. No. 733, dated April 16, 2003, informing the House that the Senate has made the following changes to Senate conferee assignment for the following House Bill:

H.B. 1506, Adds Senator Kawamoto as a Member.
HD 1, SD 1

Sen. Com. No. 734, dated April 16, 2003, informing the House that the President has appointed as conferees on the part of the Senate, for the consideration of amendments proposed by the Senate to the following House Bills:

<u>H.B. Nos.</u>	<u>Senators</u>
122, SD 2	Chun Oakland, Chair; Baker/Taniguchi, Co-Chairs; Aduja, Inouye

127, HD 1, SD 1	Chun Oakland, Chair; Taniguchi, Co- Chair; Fukunaga, Hooser, Inouye, Kokubun, Trimble
--------------------	---

129, HD 1, SD 1	Chun Oakland, Chair; Sakamoto/Taniguchi, Co-Chairs; Inouye, Tsutsui, Hogue
--------------------	--

133, HD 1, SD 3	Chun Oakland, Chair; Hanabusa, Co- Chair; Hooser, Inouye, Trimble
--------------------	--

135, HD 1, SD 1	Menor, Chair; Hanabusa, Co-Chair; Baker, Chun Oakland, Whalen
--------------------	--

377, HD 1, SD 1	Baker/Kokubun, Co-Chairs; Chun Oakland, Kawamoto, Taniguchi, Hogue
--------------------	---

384, HD 1, SD 1	Baker/Kokubun, Co-Chairs; Chun Oakland, Kawamoto, Taniguchi, Hogue
--------------------	---

422, HD 2, SD 2	Baker/Sakamoto/Taniguchi, Co-Chairs; Chun Oakland, Kokubun
--------------------	---

512, HD 1, SD 2	Baker/Taniguchi, Co-Chairs; Chun Oakland, Kokubun, Tsutsui, Hogue
--------------------	--

548, HD 2, SD 1	Baker/Kokubun, Co-Chairs; Chun Oakland, Inouye, Hogue
--------------------	--

668, SD 2	Chun Oakland, Chair; Taniguchi, Co- Chair; Fukunaga, Hooser, Ige, Inouye, Kokubun, Tsutsui, Hemmings
--------------	--

731, HD 1, SD 1	Kanno, Chair; Menor, Co-Chair; Kawamoto, Slom
735, HD 1, SD 2	Baker/Taniguchi, Co-Chairs; Chun Oakland, Inouye, Kokubun, Hogue
914, HD 2, SD 1	Chun Oakland, Chair; Baker/Hanabusa, Co-Chairs; Hooser, Inouye, Tsutsui, Trimble
1181, HD 1, SD 2	Baker/Taniguchi, Co-Chairs; Inouye, Kanno, Kokubun, Tsutsui, Trimble
1328, HD 1, SD 1	Menor, Chair; English, Co-Chair; Espero, Whalen
1342, HD 1, SD 1	Chun Oakland, Chair; Taniguchi, Co- Chair; Hooser, Ige, Sakamoto, Tsutsui, Trimble
1430, HD 2, SD 2	Baker/Chun Oakland/Kokubun, Co- Chairs; Inouye, Taniguchi, Hogue
1456, HD 1, SD 1	English, Menor, Chairs; Kokubun, Co- Chair; Hooser, Kim
1616, HD 1, SD 2	Baker/Chun Oakland/Kokubun, Co- Chairs; Taniguchi, Tsutsui
1652, SD 1	Menor, Chair; Chun Oakland/Taniguchi, Co-Chairs; Whalen

Sen. Com. No. 735, dated April 16, 2003, informing the House that the President has this day appointed as conferees on the part of the Senate, for the consideration of amendments proposed by the House to the following Senate Bills:

<u>S.B. No.</u>	<u>Senators</u>
78, SD 2, HD 1	Chun Oakland, Chair; Hanabusa, Co- Chair; Fukunaga, Inouye, Kawamoto, Trimble
426, SD 1, HD 1	Ige/Taniguchi/Inouye/Kim, Co-Chairs; Espero, Trimble
748, SD 2, HD 2	Baker/Sakamoto/Kokubun, Co-Chairs; Chun Oakland, Taniguchi, Tsutsui, Hogue
945, SD 1, HD 1	Chun Oakland, Chair; Baker/Sakamoto/Taniguchi, Co-Chairs; Hooser, Ige, Tsutsui
946, HD 2	Chun Oakland, Chair; Hanabusa, Co- Chair; English, Trimble
1286, SD 1, HD 2	Chun Oakland, Chair; Menor/Taniguchi, Co-Chairs; Tsutsui, Trimble
1352, SD 1, HD 2	Chun Oakland, Chair; Taniguchi, Co- Chair; Aduja, Espero, Hooser, Inouye, Trimble
1403, HD 1	Inouye/Kawamoto, Co-Chairs; Aduja, Espero, Whalen
1423, SD 2, HD 2	Chun Oakland, Chair; Taniguchi, Co- Chair; Hooser, Kanno, Kawamoto, Tsutsui

1446, SD 2, HD 1	Baker/Ige/Kokubun, Co-Chairs; Aduja, Taniguchi, Hogue
1492, SD 1, HD 2	Chun Oakland, Chair; Menor, Co-Chair; Espero, Fukunaga, Trimble
1629, SD 1, HD 2	Menor, Chair; Kim, Co-Chair; Taniguchi, Whalen
1647, SD 2, HD 2	Chun Oakland, Chair; Menor, Co-Chair; Fukunaga, Inouye, Trimble
1661, SD 2, HD 1	Menor, Chair; Kawamoto, Co-Chair; Taniguchi, Whalen
1700, SD 1, HD 2	Sakamoto, Chair; Kokubun, Co-Chair; Chun Oakland, Kawamoto, Hogue

INTRODUCTION

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

Representative Morita, on behalf of Representatives Kanohe, Kawakami and herself, introduced students from Kapaa Middle School; their teacher, Ms. Crystal Rowe; and parents and chaperones.

ORDER OF THE DAY

COMMITTEE REASSIGNMENTS

The following Senate Bill was re-referred to committee by the Speaker:

<u>S.B.</u> <u>No.</u>	<u>Re-referred to:</u>
254, SD 2, HD 1	Committee on Water, Land Use, and Hawaiian Affairs, then to the Committee on Finance

The following Senate Concurrent Resolutions were re-referred to committee by the Speaker:

<u>S.C.R.</u> <u>Nos.</u>	<u>Re-referred to:</u>
44	Committee on Public Safety and Military Affairs
89, SD 1	Committee on Legislative Management
105, SD 1	Committee on Public Safety and Military Affairs
107, SD 1	Committee on Legislative Management, then to the Committee on Finance
157, SD 1	Committee on Energy and Environmental Protection, then to the Committee on Finance
164, SD 1	Committee on Energy and Environmental Protection, then to the Committee on Finance
176, SD 1	Committee on Public Safety and Military Affairs

STANDING COMMITTEE REPORTS

Representative Arakaki, for the Committee on Health presented a report (Stand. Com. Rep. No. 1630), recommending that S.C.R. No. 116, SD 1, as amended in HD 1, be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 116, SD 1, HD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING A STUDY OF MANDATORY HEALTH INSURANCE COVERAGE FOR MENTAL HEALTH AND ALCOHOL AND DRUG ABUSE TREATMENT," was referred to the Committee on Finance, with Representative Jernigan being excused.

Representative Kahikina, for the Committee on Human Services and Housing presented a report (Stand. Com. Rep. No. 1631), recommending that S.C.R. No. 31, be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 31, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII TO INVESTIGATE AND QUANTIFY ECONOMIC DIFFERENCES BETWEEN THE WORKING POOR AND FAMILIES ON PUBLIC ASSISTANCE IN FEDERAL LOW INCOME HOUSING," was referred to the Committee on Finance, with Representative Jernigan being excused.

Representative Kahikina, for the Committee on Human Services and Housing presented a report (Stand. Com. Rep. No. 1632), recommending that S.C.R. No. 154, SD 1, be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 154, SD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE REVISION OF PUBLIC ASSISTANCE FORMULAS," was referred to the Committee on Finance, with Representative Jernigan being excused.

Representatives Kahikina and Arakaki, for the Committee on Human Services and Housing and the Committee on Health presented a report (Stand. Com. Rep. No. 1633), recommending that S.C.R. No. 115, SD 1, be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 115, SD 1, entitled: "SENATE CONCURRENT RESOLUTION SUPPORTING THE CONTINUED AVAILABILITY OF A STATEWIDE NETWORK OF MULTI-PURPOSE SENIOR CENTERS," was referred to the Committee on Finance, with Representative Jernigan being excused.

Representative Hiraki, for the Committee on Consumer Protection and Commerce presented a report (Stand. Com. Rep. No. 1634), recommending that S.C.R. No. 62, be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 62, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING A SUNRISE ANALYSIS OF THE REGULATION OF CONDOMINIUM

ASSOCIATION MANAGERS," was referred to the Committee on Finance, with Representative Jernigan being excused.

Representatives Arakaki and Kahikina, for the Committee on Health and the Committee on Human Services and Housing presented a report (Stand. Com. Rep. No. 1635), recommending that S.C.R. No. 13, SD 1, be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 13, SD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE ESTABLISHMENT OF A STATEWIDE INTERAGENCY TASK FORCE TO DEVELOP A PLAN FOR COORDINATION AND EXPANSION OF SERVICES PROVIDED THROUGH HEALTHY START TO YOUNG CHILDREN AND THEIR FAMILIES," was referred to the Committee on Finance, with Representative Jernigan being excused.

Representative Kahikina, for the Committee on Human Services and Housing presented a report (Stand. Com. Rep. No. 1636) recommending that S.C.R. No. 96, be adopted.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 96, entitled: "SENATE CONCURRENT RESOLUTION SUPPORTING THE HAWAII HOMEOWNERSHIP CENTER," was adopted, with Representative Jernigan being excused.

Representative Kahikina, for the Committee on Human Services and Housing presented a report (Stand. Com. Rep. No. 1637) recommending that S.C.R. No. 93, SD 1, be adopted.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 93, SD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE ESTABLISHMENT OF AN AD HOC COMMITTEE TO STUDY THE CONTINUATION OF SERVICES AFTER THE PLANNED CLOSING OF THE CASEY FAMILY PROGRAMS' HAWAII OFFICES," was adopted, with Representative Jernigan being excused.

ANNOUNCEMENTS

Vice Speaker Luke: "Representative Saiki, on behalf of the House would you like to thank Representative Caldwell?"

Representative Saiki: "Madame Speaker, on behalf of the Members of the House, I'd like to thank the Representative from Manoa for the beautiful spring mondo grass bouquet. Thank you."

Representative Finnegan: "Thank you, Madame Speaker. Just a quick announcement. Some of you may not know that my office manager, Malia Gray, is formerly of the Blood Bank of Hawaii, and we got a call from the Blood Bank and they need our help in saving lives. In two weeks we will be having a legislative blood drive here at the Capitol in room 329. But we do need your support, and for you to sign up with our offices, with either Representative Scott Nishimoto's office on the fourth floor, or my office on the third floor.

"And it is pretty scary statistics to know that in Hawaii, about 60% of us will need blood in our lifetime, but only 2% donate. So one donation can save up to about three lives. So please if you can, sign up in our offices. Thank you."

Representative Thielen: "Thank you, Madame Speaker. I would just like to ask the House Members to applaud and thank Representative Bertha Leong for her outstanding work in pulling together so many Easter baskets for the homeless. She did just a wonderful job. For those of you who were down in the Capitol Rotunda when they were presented, I mean, you could barely get into the Rotunda because of Representative Leong's outstanding work. Can we all give her a round of applause?"

HOUSE COMMUNICATION

House Communication dated April 17, 2003, from Patricia Mau Shimizu, Chief Clerk of the House of Representatives to the Honorable President and Members of the Senate of the State of Hawaii, informing the Senate that the House has made the following changes to the conferees on the following measure:

H.B. 1532, Discharged Representative Leong as a
HD 2, SD 2 manager.
Added Representative Jernigan as a manager.

ADJOURNMENT

At 12:19 o'clock p.m. on motion by Representative Lee, seconded by Representative Meyer and carried, the House of Representatives adjourned until 3:00 o'clock p.m., Monday, April 21, 2003. (Representative Jernigan was excused.)

FIFTY-FOURTH DAY

Monday, April 21, 2003

The House of Representatives of the Twenty-Second Legislature of the State of Hawaii, Regular Session of 2003, convened at 3:09 o'clock p.m., with the Vice Speaker presiding.

The invocation was delivered by Mr. Kamuela Enos, Legislative Aide to Representative Maile S.L. Shimabukuro, after which the Roll was called showing all members present with the exception of Representatives B. Oshiro and Takumi, who were excused.

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

GOVERNOR'S MESSAGES

The following messages from the Governor (Gov. Msg. Nos. 244 through 258) were received and announced by the Clerk:

Gov. Msg. No. 244, informing the House that on April 16, 2003, the following bill was signed into law:

S.B. No. 1256, RELATING TO THE AGRICULTURAL WATER USE AND DEVELOPMENT PLAN (ACT 011)

Gov. Msg. No. 245, informing the House that on April 16, 2003, the following bill was signed into law:

S.B. No. 1260, SD 1, RELATING TO MICROORGANISMS IMPORT (ACT 012)

Gov. Msg. No. 246, informing the House that on April 16, 2003, the following bill was signed into law:

S.B. No. 1270, SD 1, RELATING TO ANTITRUST (ACT 013)

Gov. Msg. No. 247, informing the House that on April 16, 2003, the following bill was signed into law:

S.B. No. 1396, RELATING TO THE ADMINISTRATION OF TAXES (ACT 014)

Gov. Msg. No. 248, informing the House that on April 16, 2003, the following bill was signed into law:

S.B. No. 1406, RELATING TO COMMERCIAL DRIVER LICENSING (ACT 015)

Gov. Msg. No. 249, informing the House that on April 16, 2003, the following bill was signed into law:

S.B. No. 1415, RELATING TO PENALTIES FOR VIOLATIONS WITHIN THE CONVERSATION DISTRICT (ACT 016)

Gov. Msg. No. 250, informing the House that on April 16, 2003, the following bill was signed into law:

H.B. No. 1172, RELATING TO THE UNIFORM SECURITIES ACT (ACT 017)

Gov. Msg. No. 251, informing the House that on April 16, 2003, the following bill was signed into law:

S.B. No. 51, RELATING TO COMMERCIAL DRIVER'S LICENSES (ACT 018)

Gov. Msg. No. 252, informing the House that on April 16, 2003, the following bill was signed into law:

S.B. No. 368, RELATING TO CRIMINAL PROPERTY DAMAGE (ACT 019)

Gov. Msg. No. 253, informing the House that on April 16, 2003, the following bill was signed into law:

S.B. No. 550, SD 1, RELATING TO AGRICULTURAL COMMODITIES (ACT 020)

Gov. Msg. No. 254, informing the House that on April 16, 2003, the following bill was signed into law:

S.B. No. 562, RELATING TO TERMINABLE RENTAL ADJUSTMENT CLAUSE VEHICLE LEASES (ACT 021)

Gov. Msg. No. 255, informing the House that on April 16, 2003, the following bill was signed into law:

S.B. No. 1353, HD 1, RELATING TO [sic] MAKING AN EMERGENCY APPROPRIATION FOR MEDICAID (ACT 022)

Gov. Msg. No. 256, informing the House that on April 16, 2003, the following bill was signed into law:

S.B. No. 685, RELATING TO SOCIAL SECURITY NUMBERS PLACED IN POLL BOOKS (ACT 023)

Gov. Msg. No. 257, informing the House that on April 16, 2003, the following bill was signed into law:

S.B. No. 787, RELATING TO DISASTER LEAVE (ACT 024)

Gov. Msg. No. 258, informing the House that on April 16, 2003, the following bill was signed into law:

S.B. No. 1469, SD 1, RELATING TO PEER SUPPORT COUNSELING SESSIONS (ACT 025)

SENATE COMMUNICATIONS

The following communications from the Senate (Sen. Com. Nos. 736 through 748) were received and announced by the Clerk:

Sen. Com. No. 736, transmitting H.C.R. No. 52, H.D. 1, entitled: "HOUSE CONCURRENT RESOLUTION ESTABLISHING A SISTER STATE-PREFECTURE RELATIONSHIP BETWEEN THE STATE OF HAWAII OF THE UNITED STATES OF AMERICA AND THE EHIME PREFECTURE OF JAPAN," which was adopted by the Senate on April 17, 2003.

Sen. Com. No. 737, transmitting H.C.R. No. 96, entitled: "HOUSE CONCURRENT RESOLUTION CONTINUING THE JOINT SENATE-HOUSE INVESTIGATIVE COMMITTEE TO INVESTIGATE THE STATE'S EFFORTS TO COMPLY WITH THE FELIX CONSENT DECREE," which was adopted by the Senate on April 17, 2003.

Sen. Com. No. 738, transmitting H.C.R. No. 119, H.D. 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF HAWAIIAN HOME LANDS TO REVIEW THE SALE OF LEASES AND

SUBMIT RECOMMENDATIONS TO THE LEGISLATURE FOR THE ADOPTION OF POLICIES THAT ARE FAIR TO AWARDEES, LEASE PURCHASERS, AND TO THE STATE," which was adopted by the Senate on April 17, 2003.

Sen. Com. No. 739, transmitting H.C.R. No. 31, SD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING STRONG SUPPORT BY CONGRESS FOR TITLE IX, THE PATSY TAKEMOTO MINK EQUAL OPPORTUNITY IN EDUCATION ACT," which was adopted by the Senate on April 17, 2003.

Sen. Com. No. 740, dated April 17, 2003, informing the House that the Senate reconsidered its action taken on April 2, 2003 in disagreeing to the amendments proposed by the House to the following Senate Bill and has moved to agree to the amendments. The Senate further informs the House that said Senate Bill has passed Final Reading this day:

S.B. No. 319, SD 2, HD 1
"RELATING TO COUNTIES."

Sen. Com. No. 741, dated April 17, 2003, informing the House that the Senate reconsidered its action taken on April 3, 2003 in disagreeing to the amendments proposed by the House to the following Senate Bill and has moved to agree to the amendments. The Senate further informs the House that said Senate Bill has passed Final Reading this day:

S.B. No. 345, SD 1, HD 2
"RELATING TO MOTOR VEHICLES."

Sen. Com. No. 742, dated April 17, 2003, informing the House that the Senate reconsidered its action taken on April 8, 2003 in disagreeing to the amendments proposed by the House to the following Senate Bill and has moved to agree to the amendments. The Senate further informs the House that said Senate Bill has passed Final Reading this day:

S.B. No. 474, SD 2, HD 1
"RELATING TO THE AUDITOR."

Sen. Com. No. 743, dated April 17, 2003, informing the House that the Senate reconsidered its action taken on April 10, 2003 in disagreeing to the amendments proposed by the House to the following Senate Bills and has moved to agree to the amendments. The Senate further informs the House that said Senate Bills have passed Final Reading this day:

S.B. No. 88, SD 1, HD 1
"RELATING TO MOTOR VEHICLES OWNED BY MILITARY PERSONNEL";

S.B. No. 552, SD 2, HD 2
"RELATING TO LANDOWNERS' LIABILITY";

S.B. No. 1234, SD 2, HD 1
"RELATING TO ALCOHOLIC BEVERAGES"; and

S.B. No. 1261, HD 2
"RELATING TO PROCUREMENT CARD PAYMENTS".

Sen. Com. No. 744, dated April 17, 2003, informing the House that the President has appointed conferees on the part of the Senate for the consideration of amendments proposed by the Senate to the following House bill:

H.B. Nos. **Senators**

1164, HD 1, SD 1 Menor, Chair, Espero, Kanno, Whalen

Sen. Com. No. 745, dated April 17, 2003, informing the House that the Senate has made changes to Senate Conferee assignments to the following House Bill:

H.B. No. **Senators**

1652, SD 1 Adds Senator Baker as a Member

Sen. Com. No. 746, dated April 17, 2003, informing the House that the Senate has made changes to Senate Conferee assignments to the following Senate Bills:

S.B. No. **Senators**

209, SD 3, HD 1 Adds Senator Kokubun as a Co-Chair

768, SD 1, HD 2 Discharges Senator Tsutsui as a Member;
Adds Senator Espero as a Member

1619, SD 2, HD 1 Discharges Senator Inouye as a Member;
Added as Co-Chair

Sen. Com. No. 747, dated April 17, 2003, informing the House that the President has appointed as conferees on the part of the Senate for the consideration of amendments proposed by the Senate to the following House Bills:

H.B. No. **Senators**

473, HD 2, SD 2 Menor, Chair, Ige/Taniguchi, Co-Chairs,
Kim, Whalen

640, HD 1, SD 2 Menor, Chair; Taniguchi, Co-Chair;
Espero, Kokubun, Whalen

736, HD 1, SD 2 Menor, Chair; Espero, Whalen

1163, SD 1 Menor, Chair; Taniguchi, Co-Chair; Ige,
Kim, Whalen

1361, HD 2, SD 1 Menor, Chair; Chun Oakland/Taniguchi,
Co-Chairs; Kokubun, Whalen

1412, HD 2, SD 2 Menor, Chair; Taniguchi, Co-Chair;
Baker, Espero, Kokubun, Whalen

1465, HD 2, SD 2 Menor, Chair; Taniguchi, Co-Chair;
Baker, Kokubun, Whalen

Sen. Com. No. 748, dated April 17, 2003, informing the House that the President has appointed as conferees on the part of the Senate for the consideration of amendments proposed by the House to the following Senate Bills:

S.B. No. **Senators**

540, SD 1, HD 2 Inouye, Chair; Kokubun, Co-chair;
Espero, Taniguchi, Whalen

574, SD 1, HD 2 Menor, Chair; Taniguchi, Co-Chair;
Baker, Kim, Kokubun, Whalen

614, SD 1, HD 1 Menor, Chair; Taniguchi, Co-Chair;
Baker, Kim, Kokubun, Whalen

1055, SD 1, HD 1 Menor, Chair; Ige/Taniguchi, Co-Chairs;
Sakamoto, Whalen

1258, SD 1, HD 1 Inouye, Chair; Kokubun, Co-Chair,
Espero, Taniguchi, Whalen

1495, SD 1, HD 1 Inouye, Chair, Espero/Kokubun, Co-Chairs; Taniguchi, Whalen

MISCELLANEOUS COMMUNICATION

The following miscellaneous communication (Misc. Com. No. 4) was received by the Clerk and was placed on file:

Misc. Com. No. 4, from The Honorable Bill Frist, Majority Leader, United States Senate, to Patricia Mau-Shimizu, Chief Clerk of the House of Representatives, acknowledging the receipt of the "Operation Iraqi Freedom" document [H.R. No. 22].

At 3:14 o'clock p.m., the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 4:02 o'clock p.m.

ORDER OF THE DAY

COMMITTEE REASSIGNMENTS

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

H.B. Nos.

Re-referred to:

512, Committee on Health, then to the Committee on
HD 1, Judiciary, then to the Committee on Finance
SD 2

668, Jointly to the Committee on Human Services and
SD 2 Housing and the Committee on Health, then to the
Committee on Judiciary, then to the Committee on
Finance

The following Senate Concurrent Resolutions were re-referred to committee by the Speaker:

S.C.R. Nos.

Re-referred to:

6, Committee on Economic Development and
SD 1 Business Concerns

49, Committee on Finance
SD 1

125, Committee on Finance
SD 1

153, Jointly to the Committee on Energy and
SD 1 Environmental Protection and the Committee on
Water, Land Use, and Hawaiian Affairs

STANDING COMMITTEE REPORTS

Representatives Kahikina and Takumi, for the Committee on Human Services and Housing and the Committee on Education presented a report (Stand. Com. Rep. No. 1638), recommending that S.C.R. No. 193, be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee

was adopted and S.C.R. No. 193, entitled: "SENATE CONCURRENT RESOLUTION URGING THE U.S. CONGRESS TO RECOGNIZE THE MERITS AND SUCCESSES OF THE HEAD START PROGRAM AND TO REJECT ANY PROPOSAL TO LIMIT THE PROGRAM'S SCOPE OR TO MOVE IT FROM THE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES TO THE U.S. DEPARTMENT OF EDUCATION," was referred to the Committee on Finance with Representatives Hiraki, Sonson, Stonebraker and Tamayo being excused.

Representative Kanoho, for the Committee on Water, Land Use, and Hawaiian Affairs presented a report (Stand. Com. Rep. No. 1639), recommending that S.C.R. No. 155, SD 1, be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 155, SD 1, entitled: "SENATE CONCURRENT RESOLUTION URGING ALTERNATIVE DISPUTE RESOLUTION TO COMPLETE THE ASSESSMENT AND SETTLEMENT OF NATIVE HAWAIIAN INDIVIDUAL TRUST CLAIMS," was referred to the Committee on Finance with Representatives Hiraki, Sonson, Stonebraker and Tamayo being excused.

Representative Kanoho, for the Committee on Water, Land Use, and Hawaiian Affairs presented a report (Stand. Com. Rep. No. 1640), recommending that S.C.R. No. 54, be referred to the Committee on Health.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 54, entitled: "SENATE CONCURRENT RESOLUTION CREATING A WORKING GROUP OF REPRESENTATIVES FROM HAWAIIAN ORGANIZATIONS, THE DEPARTMENT OF HAWAIIAN HOME LANDS, AND THE DEPARTMENT OF HEALTH TO FORM A COALITION TO PROVIDE BETTER ACCESS TO STATE VITAL STATISTICS RECORDS," was referred to the Committee on Health with Representatives Hiraki, Sonson, Stonebraker and Tamayo being excused.

Representatives Chang and Takai, for the Committee on Tourism and Culture and the Committee on Higher Education presented a report (Stand. Com. Rep. No. 1641), recommending that S.C.R. No. 63, SD 1, be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 63, SD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING A STUDY ON RENOVATION AND RECONSTRUCTION OPTIONS AND THE FORMULATION OF A MASTER PLAN FOR ALOHA STADIUM," was referred to the Committee on Finance with Representatives Hiraki, Sonson, Stonebraker and Tamayo being excused.

Representative Saiki rose and stated:

"Madame Speaker, I actually rise on a point of clarification. Before I make the main motion, I wanted to clarify that on page 4 of the Order of the Day, Standing Committee Report No. 1652 should refer to S.C.R. No. 6, SD 1, HD 1."

The Chair then stated:

"Members, did you all get that? Standing Committee Report No. 1652, even if it is reported as S.C.R. No. 6, HD 1, it should actually read as S.C.R. No. 6, SD 1, HD 1. Thank you, Representative Saiki."

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 1642) recommending that S.C.R. No. 12, be adopted.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 12, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE ESTABLISHMENT OF A TASK FORCE ON GRADUATED PARENTING," was adopted, with Representatives Hiraki and Tamayo being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 1643) recommending that S.C.R. No. 150, be adopted.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 150, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE ESTABLISHMENT OF A TASK FORCE ON ASIA-PACIFIC EDUCATION TO ENSURE THAT HAWAII'S STUDENTS MEET HIGH PERFORMANCE STANDARDS IN EDUCATION ABOUT ASIA AND THE PACIFIC AND UNDERSTAND THE IMPACT OF THE STATE'S RELATIONSHIP WITH THE REGION," was adopted, with Representatives Hiraki and Tamayo being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 1644) recommending that S.C.R. No. 181, be adopted.

Representative Saiki moved that the report of the Committee be adopted and that S.C.R. No. 181, be adopted, seconded by Representative Lee.

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

"Thank you, Madame Speaker. I have some reservations on Standing Committee Report No. 1644, S.C.R. No. 181. Madame Speaker, my reservations are that the literal interpretation of the resolution is that DOE would buy the land, and I think it is more appropriate possibly, that DAGS handles any land transfers.

"Also, this private seller I guess, is donating the land but requires the purchase later at some unknown price, and it doesn't say it could be negotiated. It just says buy it back, basically. So I don't know about the legal ramifications of either aspect of that resolution. Thank you."

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

"Yes thank you, Madame Speaker. This resolution was crafted in cooperation with the DOE. This is in support. We do have the DOE in support, and this resolution was necessary before we could go on any further to deal with a private person to build a public facility. That is the whole purpose of it and it is all in negotiations. It is all dependent upon everybody agreeing to every step along the way. But if they don't agree, then there won't be any agreement. That's it."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.C.R. No. 181, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF EDUCATION TO ENTER INTO AN AGREEMENT WITH THEODORA MALLICK FOR THE CONSTRUCTION OF THE PAHOA

SCHOOL GYMNASIUM," was adopted, with Representatives Hiraki and Tamayo being excused.

Representative Stonebraker rose and stated:

"Madame Speaker, I'd like to return to page 2 if we could for a moment?"

The Chair responded, stating:

"Hold on just a sec. Any other discussion on 1644? Let me just take this page and then we will go back."

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 1645) recommending that S.C.R. No. 16, SD 1, HD 1, be adopted.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 16, SD 1, HD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF HEALTH TO DEVELOP PUBLIC HEALTH STRATEGIES TO ADDRESS THE HEPATITIS C PROBLEM," was adopted, with Representatives Hiraki and Tamayo being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 1646) recommending that S.C.R. No. 116, SD 1, HD 1, be adopted.

Representative Saiki moved that the report of the Committee be adopted and that S.C.R. No. 116, SD 1, HD 1, be adopted, seconded by Representative Lee.

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

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.C.R. No. 116, SD 1, HD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING A STUDY OF MANDATORY HEALTH INSURANCE COVERAGE FOR MENTAL HEALTH AND ALCOHOL AND DRUG ABUSE TREATMENT," was adopted, with Representatives Stonebraker and Thielen voting no, and with Representatives Hiraki and Tamayo being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 1647) recommending that S.C.R. No. 132, SD 1, HD 1, be adopted.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 132, SD 1, HD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING A STUDY OF PROPOSED MANDATORY HEALTH INSURANCE COVERAGE FOR CERTAIN PROVIDERS OF DIABETES EDUCATION," was adopted, with Representatives Hiraki and Tamayo being excused.

Representative Ito, for the Committee on Public Safety and Military Affairs presented a report (Stand. Com. Rep. No. 1648) recommending that S.C.R. No. 5, be adopted.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 5, entitled: "SENATE CONCURRENT RESOLUTION EXPRESSING SUPPORT

FOR THE MILITARY AFFAIRS COUNCIL OF THE CHAMBER OF COMMERCE OF HAWAII IN ITS EFFORTS TO IMPROVE THE QUALITY OF LIFE FOR MILITARY PERSONNEL STATIONED IN HAWAII," was adopted, with Representatives Hiraki and Tamayo being excused.

Representative Marumoto rose and stated:

"Thank you, Madame Speaker. On Standing Committee Report No. 1641, Senate Concurrent Resolution 63, SD 1, Aloha Stadium ..."

The Chair then stated:

"Hold on just a sec. That is on the page 2. Representative Marumoto, we already voted on that resolution. That is on page 2, right? The fourth resolution, Standing Committee Report 1641. Yes, we already voted on that."

Representative Marumoto: "I stand corrected."

Representative Stonebraker rose and stated:

"Thank you, Madame Speaker. I am speaking in opposition to 1638, the first resolution that we have. This is the Head Start Program ..."

The Chair then stated:

"I am sorry. Members, on page 2, we already voted on Reports Nos. 1638 through 1641."

Representative Stonebraker: "Is that final? Can we go back? I'd like to register a no if I could."

Vice Speaker Luke: "No, you cannot."

Representative Ito, for the Committee on Public Safety and Military Affairs presented a report (Stand. Com. Rep. No. 1649) recommending that S.C.R. No. 44, be adopted.

Representative Saiki moved that the report of the Committee be adopted and that S.C.R. No. 44, be adopted, seconded by Representative Lee.

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

"Yes, Madame Speaker. I just wanted to speak in favor of Standing Committee Report No. 1649. Thank you. I just want to say that this is a long overdue promise that we made, and promise we should keep."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.C.R. No. 44, entitled: "SENATE CONCURRENT RESOLUTION URGING THE PRESIDENT OF THE UNITED STATES OF AMERICA TO ISSUE AN EXECUTIVE ORDER GRANTING FEDERAL VETERANS EQUITY BENEFITS AND SERVICES TO FILIPINO WORLD WAR II VETERANS, THEIR SPOUSES, AND THEIR CHILDREN," was adopted, with Representatives Hiraki and Tamayo being excused.

Representative Ito, for the Committee on Public Safety and Military Affairs presented a report (Stand. Com. Rep. No. 1650) recommending that S.C.R. No. 105, SD 1, be adopted.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 105, SD 1, entitled: "SENATE

CONCURRENT RESOLUTION URGING THE UNITED STATES ARMY, AIR FORCE, AND NAVY TO SELECT A CONTRACTOR WITH LOCAL PARTNERS AND A HISTORY OF DOING BUSINESS IN HAWAII FOR THE RESIDENTIAL COMMUNITIES INITIATIVE," was adopted, with Representatives Hiraki and Tamayo being excused.

Representative Ito, for the Committee on Public Safety and Military Affairs presented a report (Stand. Com. Rep. No. 1651) recommending that S.C.R. No. 176, SD 1, be adopted.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 176, SD 1, entitled: "SENATE CONCURRENT RESOLUTION URGING THE U.S. CONGRESS TO DISCONTINUE MILITARY BASE CLOSURES IN THE STATE OF HAWAII AND ESTABLISHING A BASE REALIGNMENT AND CLOSING COMMITTEE TO PRESERVE LOCAL BASES," was adopted, with Representatives Hiraki and Tamayo being excused.

Representative Schatz, for the Committee on Economic Development and Business Concerns presented a report (Stand. Com. Rep. No. 1652) recommending that S.C.R. No. 6, SD 1, as amended in HD 1, be adopted.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 6, SD 1, HD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING A STUDY ON THE EFFECTS OF BIG BOX RETAILERS ON LOCAL SMALL AND MEDIUM RETAIL BUSINESSES," was adopted, with Representatives Hiraki and Tamayo being excused.

Representative Schatz, for the Committee on Economic Development and Business Concerns presented a report (Stand. Com. Rep. No. 1653) recommending that H.R. No. 70, HD 1, be adopted.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.R. No. 70, HD 1, entitled: "HOUSE RESOLUTION REQUESTING THE PRESIDENT OF THE UNITED STATES TO SERVE 100 PERCENT HAWAII-GROWN COFFEE AT THE WHITE HOUSE," was adopted, with Representatives Hiraki and Tamayo being excused.

Representative Takumi, for the Committee on Education presented a report (Stand. Com. Rep. No. 1654) recommending that H.R. No. 80, as amended in HD 1, be adopted.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.R. No. 80, HD 1, entitled: "HOUSE RESOLUTION REQUESTING THE DEPARTMENT OF EDUCATION TO IMPLEMENT A WEIGHTED STUDENT FORMULA," was adopted, with Representatives Hiraki and Tamayo being excused.

Representative Takumi, for the Committee on Education presented a report (Stand. Com. Rep. No. 1655), recommending that S.C.R. No. 45, SD 1, be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 45, SD 1, entitled: "SENATE CONCURRENT RESOLUTION ENDORSING THE GOOD BEGINNINGS INTERDEPARTMENTAL COUNCIL'S SCHOOL READINESS TASK FORCE'S HAWAII STATE

PRESCHOOL CONTENT STANDARDS," was referred to the Committee on Finance, with Representative Tamayo being excused.

At this time, the Chair announced:

"Members, at this time, please refer to your white action sheet. The white action sheet is found on the last page of your yellow action sheets. Every body got that?"

DISPOSITION OF MATTERS PLACED ON THE CLERK'S DESK

Representative Saiki moved to agree to the amendments proposed by the Senate for the following House Concurrent Resolution, seconded by Representative Fox, and carried: (Representative Tamayo was excused.)

H.C.R. No. 31, SD 1

ADOPTION

H.C.R. No. 31, SD 1:

On motion by Representative Saiki, seconded by Representative Fox and carried, the House agreed to the amendments proposed by the Senate to H.C.R. No. 31 and H.C.R. No. 31, SD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING STRONG SUPPORT BY CONGRESS FOR TITLE IX, THE PATSY TAKEMOTO MINK EQUAL OPPORTUNITY IN EDUCATION ACT," was Adopted, with Representative Tamayo being excused.

ANNOUNCEMENTS

Representative Kanoho: "Thank you, Madame Speaker. I would like to request a waiver of the 24-hour notification requirement to convene a House/Senate Conference Committee. Madame Speaker and Members, this is to convene the House/Senate Committee on H.B. 1285, HD 1, SD1, relating to historic sites, and also H.B. 1214, HD 2, SD 2, relating to public land liability.

"For clarification Madame Speaker, your House/Senate Committee scheduled a meeting this morning at 10:00, however it was without a quorum. But informal discussion indicated that there was some work that still needing to be done and so it was announced before the audience of interested people on these measures that the Committee will confer tomorrow at 9:00. And incidentally, the Senate did proceed to prepare and post the notice."

At 4:11 o'clock p.m., the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 4:13 o'clock p.m.

Vice Speaker Luke: "Members, before we took the recess, Chair Kanoho asked for a waiver. It has been brought to my attention that in order to waive a Conference rule, there has to be an agreement between the Speaker and the Senate President. So the House cannot unilaterally waive this. So Representative Kanoho, could you withdraw your waiver notice?"

Representative Kanoho: "Yes, Madame Speaker. I withdraw my request to waive the 24-hour notification. As Madame

Speaker indicated, Rule 12 of the Conference guidelines permits the Speaker and the President to waive those rules. Thank you."

Vice Speaker Luke: "And then you will work with the Senate Conferees to post the notice then?"

Representative Kanoho: "Yes, thank you."

HOUSE COMMUNICATION

House Communication dated April 21, 2003, from Patricia Mau Shimizu, Chief Clerk of the House of Representatives to the Honorable President and Members of the Senate of the State of Hawaii, informing the Senate that the House has made the following changes to the conferees on the following measure:

H.B. No. 426, Discharged Representative Thielen as a manager.
HD 1, SD 2

Added Representative Bukoski as a manager.

House Communication dated April 21, 2003, from Patricia Mau Shimizu, Chief Clerk of the House of Representatives to the Honorable President and Members of the Senate of the State of Hawaii, informing the Senate that the House has agreed to the amendments made by the Senate on April 17, 2003 and has this day adopted House Concurrent Resolution No. 31, SD 1.

ADJOURNMENT

At 4:14 o'clock p.m. on motion by Representative Lee, seconded by Representative Meyer and carried, the House of Representatives adjourned until 12:00 o'clock noon tomorrow, Tuesday, April 22, 2003. (Representatives Arakaki and Tamayo were excused.)

FIFTY-FIFTH DAY

Tuesday, April 22, 2003

The House of Representatives of the Twenty-Second Legislature of the State of Hawaii, Regular Session of 2003, convened at 12:07 o'clock p.m., with the Vice Speaker presiding.

The invocation was delivered by Pastor Chris Bartolome of the Bethel Chapel Assembly of God in Waipahu, after which the Roll was called showing all members present with the exception of Representatives Ito, Kanoho and Takumi, who were excused.

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

SENATE COMMUNICATIONS

The following communications from the Senate (Sen. Com. Nos. 749 through 772) were received and announced by the Clerk:

Sen. Com. No. 749, dated April 21, 2003, informing the House that the Senate has reconsidered its action taken on April 4, 2003 in disagreeing to the amendments proposed by the House to the following Senate Bill and has moved to agree to the amendments, and that said bill has this day, passed Final Reading:

S.B. 69, SD 1, HD 1	RELATING TO THE TEACHER EDUCATION COORDINATING COMMITTEE
------------------------	--

Sen. Com. No. 750, dated April 21, 2003, informing the House that the Senate has reconsidered its action taken on April 10, 2003 in disagreeing to the amendments proposed by the House to the following Senate Bills and has moved to agree to the amendments, and that said bills have this day, passed Final Reading:

S.B. 1241, HD 2	RELATING TO CANCER EXAMINATIONS
--------------------	------------------------------------

S.B. 1326, SD 1, HD 1	RELATING TO EDUCATION
--------------------------	-----------------------

Sen. Com. No. 751, dated April 21, 2003, informing the House that the President has appointed as conferees on the part of the Senate, for the consideration of amendments proposed by the Senate to the following House Bills:

<u>H.B. Nos.</u> 10, HD 2, SD 1	<u>Senators</u> English, Chair; Menor/Hooser, Co-Chairs
1182 HD 2, SD 2	Baker/Kokubun/Chun Oakland, Co-Chairs; English, Espero, Taniguchi, Tsutsui

Sen. Com. No. 752, dated April 21, 2003, informing the House that the Senate has made the following changes to Senate conferee assignment for the following Senate and House Bills:

<u>Bill Nos.</u> S.B. 1055 SD 1, HD 1	<u>Senators</u> Adds Senators Kim and Kokubun as a Members
--	--

H.B. 75 HD 2, SD 1	Adds Senator Taniguchi as a Co-Chair
-----------------------	--------------------------------------

H.B. 1003 HD 1, SD 2	Discharges Senator Ihara as a Member
-------------------------	--------------------------------------

Sen. Com. No. 753, transmitting H.C.R. No. 55, HD 1, SD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM BUSINESS ACTION CENTER, DEPARTMENT OF HEALTH, AND THE MAYOR AND COUNCIL OF EACH OF THE FOUR COUNTIES TO COORDINATE AND FACILITATE THE PROJECT REVIEW AND PERMITTING PROCESS OF A PLASMA FACILITY IN THE STATE," which was adopted by the Senate on April 21, 2003.

Sen. Com. No. 754, transmitting H.C.R. No. 62, HD 1, SD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING HAWAII'S CONGRESSIONAL DELEGATION TO INTRODUCE LEGISLATION IN CONGRESS CALLING FOR FURTHER REVIEW OF THE MIGRATION ISSUE AND FOR INCREASED FINANCIAL IMPACT ASSISTANCE FOR PROVIDING SERVICES TO CITIZENS OF THE FREELY ASSOCIATED STATES WHO RESIDE IN THE STATE OF HAWAII UNDER THE COMPACT OF FREE ASSOCIATION AND ANY NEWLY RENEGOTIATED COMPACT," which was adopted by the Senate on April 21, 2003.

Sen. Com. No. 755, transmitting H.C.R. No. 81, HD 1, SD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO PRESERVE AND PROTECT THE RECREATION RESIDENCE TRACTS WITHIN THE KOKE'E AND WAIMEA CANYON STATE PARKS," which was adopted by the Senate on April 21, 2003.

Sen. Com. No. 756, transmitting H.C.R. No. 85, HD 1, SD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING A PROGRAM AUDIT AND INVESTIGATION OF THE VARIOUS AGENCIES INVOLVED IN THE CHILD PROTECTIVE SERVICES SYSTEM," which was adopted by the Senate on April 21, 2003.

Sen. Com. No. 757, transmitting H.C.R. No. 151, HD 1, SD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE ESTABLISHMENT OF AN INTERIM WORKING GROUP ON UNIVERSAL HEALTH CARE," which was adopted by the Senate on April 21, 2003.

Sen. Com. No. 758, transmitting H.C.R. No. 179, HD 1, SD 1, entitled: "HOUSE CONCURRENT RESOLUTION STRONGLY URGING THE UNIVERSITY OF HAWAII TO CONSIDER REQUIRING ALL STUDENTS AT THE UNIVERSITY OF HAWAII SYSTEM TO SHOW PROOF OF FULL IMMUNIZATION AGAINST THE HEPATITIS B VIRUS PRIOR TO ENROLLMENT," which was adopted by the Senate on April 21, 2003.

Sen. Com. No. 759, transmitting H.C.R. No. 203, SD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENTS OF HUMAN SERVICES AND HEALTH TO WORK WITH HAWAII'S CONGRESSIONAL DELEGATION AND THE FEDERAL CENTERS FOR MEDICARE AND MEDICAID SERVICES TO IMPROVE ACCESS TO HEALTH CARE IN HAWAII," which was adopted by the Senate on April 21, 2003.

Sen. Com. No. 760, transmitting H.C.R. No. 230, SD 1, entitled: "HOUSE CONCURRENT RESOLUTION URGING THE UNITED STATES ARMY, AIR FORCE, AND NAVY TO SELECT A CONTRACTOR WITH LOCAL PARTNERS AND A HISTORY OF DOING BUSINESS IN HAWAII FOR THE RESIDENTIAL COMMUNITIES INITIATIVE," which was adopted by the Senate on April 21, 2003.

Sen. Com. No. 761, transmitting H.C.R. No. 26, HD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE SPEAKER OF THE UNITED STATES HOUSE OF REPRESENTATIVES TO EDUCATE AND SENSITIZE MEMBERS OF CONGRESS ON THE UNFORTUNATE CIRCUMSTANCES OF THE INTERNMENT OF CIVILIANS DURING WORLD WAR II," which was adopted by the Senate on April 21, 2003.

Sen. Com. No. 762, transmitting H.C.R. No. 68, HD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE BOARD OF LAND AND NATURAL RESOURCES TO EXPLORE THE LEASING OF UNUTILIZED FAST AND SUBMERGED LANDS AT KEEHI LAGOON FOR THE PRIVATE DEVELOPMENT OF BOATING AND OCEAN RECREATIONAL FACILITIES," which was adopted by the Senate on April 21, 2003.

Sen. Com. No. 763, transmitting H.C.R. No. 89, entitled: "HOUSE CONCURRENT RESOLUTION SUPPORTING THE RALPH BUNCHE CENTENARY CELEBRATION," which was adopted by the Senate on April 21, 2003.

Sen. Com. No. 764, transmitting H.C.R. No. 146, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING MEMBERS OF HAWAII'S CONGRESSIONAL DELEGATION TO WORK TO OBTAIN ADDITIONAL FUNDS NECESSARY TO MEET THE MANDATES OF THE FEDERAL "NO CHILD LEFT BEHIND ACT OF 2001"," which was adopted by the Senate on April 21, 2003.

Sen. Com. No. 765, transmitting H.C.R. No. 157, HD 1, entitled: "HOUSE CONCURRENT RESOLUTION FORMALIZING THE ONGOING EFFORTS OF THE AGRICULTURE WORKING GROUP IN ADDRESSING THE MANDATE OF ARTICLE XI, SECTION 3 OF THE STATE CONSTITUTION AND RELATED AGRICULTURAL AND LAND ISSUES," which was adopted by the Senate on April 21, 2003.

Sen. Com. No. 766, transmitting H.C.R. No. 160, HD 1, entitled: "HOUSE CONCURRENT RESOLUTION DESIGNATING APRIL AS "FINANCIAL LITERACY FOR YOUTH IN HAWAII MONTH," which was adopted by the Senate on April 21, 2003.

Sen. Com. No. 767, transmitting H.C.R. No. 172, HD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE CONSUMER ADVOCATE TO FORM AN AD HOC ADVISORY GROUP TO INVESTIGATE AND MAKE RECOMMENDATIONS REGARDING THE DEVELOPMENT AND IMPLEMENTATION OF STANDARD OFFER CONTRACTS AND STANDARDIZED INTERCONNECTION AGREEMENTS TO REDUCE THE APPROVAL PROCESS TIME FOR THE IMPLEMENTATION OF RENEWABLE ENERGY SYSTEMS; AND FACILITATE THE PURCHASE OF ELECTRICITY FROM RENEWABLE ENERGY PRODUCERS IN HAWAII," which was adopted by the Senate on April 21, 2003.

Sen. Com. No. 768, transmitting H.C.R. No. 198, HD 1, entitled: "HOUSE CONCURRENT RESOLUTION

SUPPORTING THE PRESERVATION OF THE HAWAIIAN LANGUAGE AND THE PERPETUATION OF ITS STUDY AND USE," which was adopted by the Senate on April 21, 2003.

Sen. Com. No. 769, transmitting H.C.R. No. 208, entitled: "HOUSE CONCURRENT RESOLUTION URGING THE U.S. CONGRESS TO RECOGNIZE THE MERITS AND SUCCESSES OF THE HEAD START PROGRAM AND TO REJECT ANY PROPOSAL TO LIMIT THE PROGRAM'S SCOPE OR TO MOVE IT FROM THE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES TO THE U.S. DEPARTMENT OF EDUCATION," which was adopted by the Senate on April 21, 2003.

Sen. Com. No. 770, transmitting H.C.R. No. 216, entitled: "HOUSE CONCURRENT RESOLUTION SUPPORTING THE MANY BENEFITS OF HAWAII GROWN CHOCOLATE TO OUR STATE AND DIVERSIFIED AGRICULTURE," which was adopted by the Senate on April 21, 2003.

Sen. Com. No. 771, transmitting H.C.R. No. 219, HD 1, entitled: "HOUSE CONCURRENT RESOLUTION SUPPORTING THE RESTORATION AND MAINTENANCE OF THE SANJU PAGODA IN NUUANU VALLEY," which was adopted by the Senate on April 21, 2003.

Sen. Com. No. 772, transmitting H.C.R. No. 223, HD 1, entitled: "HOUSE CONCURRENT RESOLUTION CONCERNING CERTAIN PUBLIC LEASES," which was adopted by the Senate on April 21, 2003.

INTRODUCTION

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

Representative Caldwell introduced 3rd grade students from Noelani Elementary School; their teachers, Ms. Carole Chee, Ms. Carolyn Ching, Ms. Naomi Takamori, and Ms. Natasha Gentry Health; and parents, Mrs. Lee, Mrs. Baron, Mrs. Uchimura, Mr. Sender, Mrs. Ripley, and Mrs. Nakandakari.

At 12:14 o'clock p.m., Representative Lee asked for a recess and the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 12:42 o'clock p.m.

ORDER OF THE DAY

STANDING COMMITTEE REPORTS

Representative Arakaki, for the Committee on Health presented a report (Stand. Com. Rep. No. 1656) recommending that S.B. No. 1163, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1163, entitled: "A BILL FOR AN ACT RELATING TO EMERGENCY MEDICAL SERVICES," passed Second Reading and was placed on the calendar for Third Reading with Representatives Herkes, Kahikina, Kanoho, Kawakami, Say, Souki and Takai being excused.

Representative Kanoho, for the Committee on Water, Land Use, and Hawaiian Affairs presented a report (Stand. Com. Rep. No. 1657), recommending that S.C.R. No. 55, SD 1, be referred to the Committee on Economic Development and Business Concerns.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 55, SD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE ESTABLISHMENT OF A BIOPROSPECTING ADVISORY COMMISSION TO DEVELOP A COMPREHENSIVE PLAN FOR THE PRESERVATION AND USE OF THE BIOLOGICAL DIVERSITY AND BIOLOGICAL RESOURCES OF THE TRUST LANDS," was referred to the Committee on Economic Development and Business Concerns with Representatives Kanoho and Say being excused.

Representative Souki, for the Committee on Transportation presented a report (Stand. Com. Rep. No. 1658), recommending that S.C.R. No. 27, SD 1, be referred to the Committee on Consumer Protection and Commerce.

Representative Saiki moved that the report of the Committee be adopted and that S.C.R. No. 27, SD 1, be referred to the Committee on Consumer Protection and Commerce, seconded by Representative Lee.

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

"In opposition. Since the federal government allowed Hawaiian and Aloha Airlines to enter an anti-trust agreement to compare scheduling, flights have been very hard to get. I understand the intent of the bill is very noble."

Representative Lee rose to a point of order, stating:

"Madame Speaker, point of order please. Is the present speaker supporting or in opposition?"

The Chair responded, stating:

"He is in opposition."

Representative Jernigan continued, stating:

"The intent is very noble but since the anti-trust agreement has kicked in, the airline passengers of Hawaii have suffered. They've suffered long enough. I think we should let the free enterprise system take over and let that balance it out. Thank you."

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

"Thank you, Madame Speaker. With reservations. And just like to observe at this point, because it is going on somewhere else. Based on the prior or last reporting periods, for the airlines, they were showing, reflecting losses in the past. But I am not clear that they are losing money as we speak. Thank you."

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

"Yes, Madame Speaker. On 1658, like the previous bill we discussed I have some reservations. I think the request to Congress is basically not a problem because we are asking them to look into it and see the legal ramifications. I don't know what will happen if they come back and say, "Okay, they can coordinate." That seems to be the problem. It is a

philosophical problem. Do we just let free enterprise rule, or do we let them coordinate the schedules that may raise prices. Maybe provide more trips, but raise prices. I don't know.

"But I do know right now it is a difficult problem for commuters to get between islands. So something has to get down, and I don't know if this is it, but again I think it's a study basically. It is asking them to look into it and let us know. Thank you."

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

"Briefly in opposition. The senior Senator says that he does not think this is necessary, and I find it rather odd that we be telling him how to do this. Thank you."

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

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

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

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

Representative Finnegan rose and asked that the Clerk record a no vote 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.C.R. No. 27, SD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE HAWAII CONGRESSIONAL DELEGATION TO ASK THE UNITED STATES DEPARTMENT OF JUSTICE TO CONSIDER AND REPORT WHETHER HAWAIIAN AND ALOHA AIRLINES CAN DISCUSS FLIGHT SCHEDULING TO BETTER ACCOMMODATE TRAVELERS," was referred to the Committee on Consumer Protection and Commerce with Representatives Bukoski, Finnegan, Fox, Jernigan, Meyer, Ontai and Stonebraker voting no, and with Representatives Kanoho and Say being excused.

Representative Souki, for the Committee on Transportation presented a report (Stand. Com. Rep. No. 1659), recommending that S.C.R. No. 40, SD 1, be referred to the Committee on Finance.

Representative Saiki moved that the report of the Committee be adopted and that S.C.R. No. 40, SD 1, be referred to the Committee on Finance, seconded by Representative Lee.

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

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

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

"Thank you, Madame Speaker. With reservations. I don't mind having a study to look into this. If you remember the old measure that we had before, a few years ago, was to look into red light running. And it is a serious problem. I am concerned that it would go kind of the way of the last measure that we had before us a few years ago. I am concerned that vendors would want to issue tickets, because they would be partaking of the profits. But that is after we do a study and figure out if

something like this is worthwhile or not. I would just keep a very jaundice eye on this as we move along. Thank you."

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

"Thank you very much. I wish to speak in favor of this study. Madame Speaker and Members, this is just a study. And the intent of course, is so that if we do go into a red light enforcement program, and this is a big 'if', then we need a study to prevent the past failings of the traffic cam that we've had in the past. This hopefully will deter some of that. More important, if this does go into affect, and that is kind of a long-shot at this point, I would want that to be put in the record, this be basically administered by the county, and that all funds that they receive from the traffic light enforcement goes to the counties from this project.

"I think the failing that we had in the past is that the State kept the funds, and was done by a private agency. And it gave the appearance that this private agency, and certainly there was a strong appearance, that it was there simply to make money for itself and not necessarily to provide for traffic enforcement. Although you did notice there was a slow down of traffic during that time. But hopefully this will not have the same appearance and that is why I would want the counties to be the operator of this, and the counties also to keep any funds from the fines that come out of this project Madame Speaker and Members.

"And further, just some advice to Finance Committee where this resolution is going, my recommendation is to make it statewide and take out the limitation of \$500,000 or less, and make it statewide. I don't want you to think that I don't want that to be in Maui. It should be a statewide project. Thank you very much."

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

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

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

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

"Thank you, Madame Speaker. A no vote please. Madame Speaker, I really appreciated hearing the words from the Transportation Chair. But the Windward commuters really got burned by the 'van cam' and it did create a great deal of trouble. It didn't really make traffic run more smoothly. It made traffic rather paranoid. I think that we ought to let some time pass before we even look into this subject again. Thank you."

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

"The previous speaker from Maui indicated that the traffic fines would go to the counties. I believe we did not pass that bill. We didn't pass the bill through that would allow uncontested fines to go to the counties, so I think that part is flawed. I think we are just not ready for something like this. Thank you."

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

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

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

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

Representative Leong 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.C.R. No. 40, SD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF TRANSPORTATION TO CONDUCT A STUDY REGARDING THE FEASIBILITY OF ESTABLISHING A PHOTO RED LIGHT ENFORCEMENT PILOT PROJECT TO ENHANCE PEDESTRIAN SAFETY," was referred to the Committee on Finance with Representatives Bukoski, Jernigan, Ontai, Stonebraker and Thielen voting no, and with Representatives Kanoho and Say being excused.

Representative Hiraki, for the Committee on Consumer Protection and Commerce presented a report (Stand. Com. Rep. No. 1660), recommending that S.C.R. No. 95, be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 95, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING A REVIEW CONCERNING THE REGULATION AND LICENSURE REQUIREMENTS OF PROFESSIONS AND VOCATIONS BY THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS," was referred to the Committee on Finance with Representatives Kanoho and Say being excused.

CONFERENCE COMMITTEE REPORTS

Representatives Souki and Hamakawa, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 993, SD 1, presented a report (Conf. Com. Rep. No. 1) recommending that H.B. No. 993, SD 1, 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. 1 and H.B. No. 993, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO RECONSTRUCTED VEHICLES," was deferred for a period of 48 hours.

ANNOUNCEMENTS

Representative Thielen: "Madame Speaker, I just wanted to wish everyone a Happy Earth Day. And to encourage our colleagues on Aloha Friday to wear shirts that are made of natural fabrics. Hemp or cotton or whatever is non-synthetic, and remember to vote green."

Vice Speaker Luke: "Representative Saiki, would you like to congratulate one of your colleagues for a job well done on the Foodbank."

Representative Saiki: "Thank you, Madame Speaker. On behalf of the Members of the House, I'd like to thank the Representative from Waianae for conducting a very successful

Foodbank campaign. It takes a lot work and I know that she was very committed, and the results showed in the contribution level this year. Thank you."

HOUSE COMMUNICATION

House Communication dated April 22, 2003, from Patricia Mau Shimizu, Chief Clerk of the House of Representatives to the Honorable President and Members of the Senate of the State of Hawaii, informing the Senate that the House has made the following changes to the conferees on the following measure:

H.B. No. 512,	Discharges Representative Hamakawa as
HD 1, SD 2	lead Co-Chair.
	Added Representative Arakaki as lead
	Co-Chair.
	Added Representative Hamakawa as
	second Co-Chair.

ADJOURNMENT

At 12:53 o'clock p.m. on motion by Representative Lee, seconded by Representative Meyer and carried, the House of Representatives adjourned until 12:00 o'clock noon tomorrow, Wednesday, April 23, 2003. (Representatives Kanohe and Say were excused.)

FIFTY-SIXTH DAY

Wednesday, April 23, 2003

The House of Representatives of the Twenty-Second Legislature of the State of Hawaii, Regular Session of 2003, convened at 12:10 o'clock p.m., with the Speaker presiding.

The invocation was delivered by Senator Norman Sakamoto, after which the Roll was called showing all members present with the exception of Representatives Hamakawa, Hiraki, Morita and Takumi who were excused.

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

GOVERNOR'S MESSAGES

The following messages from the Governor (Gov. Msg. Nos. 259 through 261) were received and announced by the Clerk and were placed on file:

Gov. Msg. No. 259, transmitting the 2002 Annual Report from the Executive Office on Aging.

Gov. Msg. No. 260, transmitting a report, Requesting Monthly Notification of Expenditures from the Director of Health Relative to the Felix Consent Decree Made to the United States Ninth District Court, the Felix Special Monitor, the Felix Monitoring Project, or Any Another (sic) Agent of the United States Judiciary – For the Month of January 2003.

Gov. Msg. No. 261, transmitting a report, In Compliance with Hawaii Revised Statutes Chapters 128D and 128E on the Activities of the Department of Health, Environmental Health Administration, Office of Hazard Evaluation and Emergency Response and Use of the Environmental Response Revolving Fund.

SENATE COMMUNICATIONS

The following communications from the Senate (Sen. Com. Nos. 773 through 776) were received and announced by the Clerk:

Sen. Com. No. 773, dated April 22, 2003, informing the House that the Senate has disagreed to the amendments made by the House to the following resolutions:

<u>S.C.R. Nos.</u> 6, SD 1, HD 1	REQUESTING A STUDY ON THE EFFECTS OF BIG BOX RETAILERS ON LOCAL SMALL AND MEDIUM RETAIL BUSINESSES
16, SD 1, HD 1	REQUESTING THE DEPARTMENT OF HEALTH TO DEVELOP PUBLIC HEALTH STRATEGIES TO ADDRESS THE HEPATITIS C PROBLEM
116, SD 1, HD 1	REQUESTING A STUDY OF MANDATORY HEALTH INSURANCE COVERAGE FOR MENTAL HEALTH AND ALCOHOL AND DRUG ABUSE TREATMENT

132,
SD 1, HD 1

REQUESTING THE DEPARTMENT OF HEALTH TO ESTABLISH AN ADVISORY COMMISSION ON HAWAII PALLIATIVE CARE AND PAIN MANAGEMENT [sic] [REQUESTING A STUDY OF PROPOSED MANDATORY HEALTH INSURANCE COVERAGE FOR CERTAIN PROVIDERS OF DIABETES EDUCATION]

Sen. Com. No. 774, dated April 22, 2003, informing the House that the Senate has made changes to Senate Conferee assignments to the following House Bill:

H.B. No.

736,
HD 1, SD 2

Adds Senator Hanabusa as a Co-Chair

Sen. Com. No. 775, dated April 22, 2003, informing the House that the President has appointed conferees on the part of the Senate for the consideration of amendments proposed by the Senate to the following House bill:

H.B. No.

391,
HD 2, SD 2

Senators

Kawamoto, Chair;
Kanno/Taniguchi/Espero, Co-Chairs;
Aduja, Kokubun

Sen. Com. No. 776, dated April 22, 2003, informing the House that on April 22, 2003, the Senate reconsidered its action taken on April 2, 2003 in disagreeing to the amendments proposed by the House to the following Senate Bill and has moved to agree to the amendments. The Senate further informs the House that said Senate Bill has passed Final Reading this day.

S.B. No.

1255,
SD 2, HD 1

RELATING TO AGRICULTURAL INSPECTIONS

DEPARTMENTAL COMMUNICATION

The following departmental communications (Dept. Com. Nos. 49 and 50) was received by the Clerk and was placed on file:

Dept. Com. No. 49, from the State Foundation on Culture & the Arts on behalf of the Hawaii Arts Education Partners, transmitting their progress report, Implementation of A.R.T.S. FIRST: Hawaii's Arts Education Strategic Plan 2001-2006.

Dept. Com. No. 50, from Marion M. Higa, State Auditor, transmitting their report, Evaluation of the State's Integrated Special Education Database System.

INTRODUCTIONS

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

Representative Magaoay introduced students from Wheeler Elementary Family Literacy and Life-skills group, and their teachers, Ms. Joy Matsukawa and Ms. Leslie Shimokawa.

Representative Ontai, on behalf of Representative Lee and himself, introduced Cub Scouts from Pack 464 in Mililani, Scouts Zachary Taniguchi and Zachary Storch; Cub Master Frank Storch; Den Leader, Charlene Storch; and parent, Ms. Chari Jean Watanabe.

Representative Waters introduced his legislative attorney Ms. Laura Yoshida, and her friend Ms. Laura Ornelaz and parents Mr. Ben and Mrs. JoAnn Ornelaz, from California.

Representative Meyer introduced former State Representative Annelle Amaral.

At 12:15 o'clock p.m., Representative Lee requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 12:51 o'clock p.m.

ORDER OF THE DAY

STANDING COMMITTEE REPORTS

Representative Arakaki, for the Committee on Health presented a report (Stand. Com. Rep. No. 1661,) recommending that S.C.R. No. 143, SD 1, be referred to the Committee on Water, Land Use, and Hawaiian Affairs.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 143, SD 1, entitled: "SENATE CONCURRENT RESOLUTION EXPRESSING SUPPORT FOR THE PACIFIC HEALTH CENTER MASTER PLAN," was referred to the Committee on Water, Land Use, and Hawaiian Affairs with Representatives Halford, Jernigan, Meyer, Morita, Takai and Wakai being excused.

Representative Schatz, for the Committee on Economic Development and Business Concerns presented a report (Stand. Com. Rep. No. 1662,) recommending that S.C.R. No. 76, SD 1, be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 76, SD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE HAWAII SMALL BUSINESS REGULATORY REVIEW BOARD TO DEVELOP AND FORMULATE A SMALL BUSINESS BILL OF RIGHTS FOR CONSIDERATION DURING THE 2004 LEGISLATURE," was referred to the Committee on Finance with Representatives Halford, Jernigan, Meyer, Morita, Takai and Wakai being excused.

Representative Schatz, for the Committee on Economic Development and Business Concerns presented a report (Stand. Com. Rep. No. 1663,) recommending that S.C.R. No. 98, SD 1, be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 98, SD 1, entitled: "SENATE CONCURRENT RESOLUTION CONVENING AN ECONOMIC SUMMIT," was referred to the Committee on Finance, with Representatives Halford, Jernigan, Meyer, Morita, Takai and Wakai being excused.

Representative Schatz, for the Committee on Economic Development and Business Concerns presented a report (Stand. Com. Rep. No. 1664,) recommending that S.C.R. No. 196, SD 1, be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 196, SD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM TO UPDATE ITS REPORT ON HAWAII'S FILM INDUSTRY, "A ROAD MAP: THE FILM INDUSTRY'S POTENTIAL AND HOW TO GET THERE"," was referred to the Committee on Finance, with Representatives Halford, Jernigan, Meyer, Morita, Takai and Wakai being excused.

REPORTS OF CONFERENCE COMMITTEES

At this time, the Chair announced:

"Reports of Conference Committees. Members, please note the 48-hour notice for Conference Committee Reports No. 2, and 51 through 57 as listed on pages 2 and 3. Representative Sonson, do you understand the 48-hour notice on those measures I just stated?"

Representative Sonson: "Yes."

Speaker Say: "Then would you please stand and explain it to the Members of this House."

"It is to give you 48 hours notice that these bills will be passed two days from now. You have it on your desk at this point in time, your conference drafts."

Representatives Kanoho and B. Oshiro, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 192, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 2) recommending that H.B. No. 192, HD 1, SD 1, 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. 2 and H.B. No. 192, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ACCRETED LANDS," was deferred for a period of 48 hours.

Representative Souki, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 295, SD 1, HD 1, presented a report (Conf. Com. Rep. No. 51) recommending that S.B. No. 295, SD 1, HD 1, 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. 51 and S.B. No. 295, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE TOWING," was deferred for a period of 48 hours.

Representative Hiraki, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1200, SD 1, HD 1, presented a report (Conf. Com. Rep. No. 52) recommending that S.B. No. 1200, SD 1, HD 1, 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. 52 and S.B. No. 1200, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CAPTIVE INSURANCE," was deferred for a period of 48 hours.

Representative Hiraki, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed

by the House in S.B. No. 1630, HD 1, presented a report (Conf. Com. Rep. No. 53) recommending that S.B. No. 1630, HD 1, 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. 53 and S.B. No. 1630, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO NONPROFIT CORPORATIONS," was deferred for a period of 48 hours.

Representative Hamakawa, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 933, SD 1, HD 1, presented a report (Conf. Com. Rep. No. 54) recommending that S.B. No. 933, SD 1, HD 1, 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. 54 and S.B. No. 933, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STALKING," was deferred for a period of 48 hours.

Representatives Hiraki and B. Oshiro, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1267, HD 2, presented a report (Conf. Com. Rep. No. 55) recommending that S.B. No. 1267, HD 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. 55 and S.B. No. 1267, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TOBACCO," was deferred for a period of 48 hours.

Representative Hamakawa, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1274, SD 1, HD 1, presented a report (Conf. Com. Rep. No. 56) recommending that S.B. No. 1274, SD 1, HD 1, 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. 56 and S.B. No. 1274, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MANSLAUGHTER," was deferred for a period of 48 hours.

Representatives Chang and Karamatsu, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1460, SD 1, HD 2, presented a report (Conf. Com. Rep. No. 57) recommending that S.B. No. 1460, SD 1, HD 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. 57 and S.B. No. 1460, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONTRACTS ENTERED INTO BY THE HAWAII TOURISM AUTHORITY," was deferred for a period of 48 hours.

SUSPENSION OF RULES

On motion by Representative Lee, seconded by Representative Thielen and carried, the rules were suspended for the purpose of considering a bill on Third Reading on the basis of a modified consent calendar. (Representatives Halford, Jernigan, Meyer, Morita and Takai were excused.)

THIRD READING

S.B. No. 1163:

On motion by Representative Saiki, seconded by Representative Lee and carried, S.B. No. 1163, entitled: "A BILL FOR AN ACT RELATING TO EMERGENCY MEDICAL SERVICES," passed Third Reading by a vote of 48 ayes, with Representatives Halford, Meyer and Morita being excused.

The Chair directed the Clerk to note that S.B. No. 1163 passed Third Reading at 12:55 o'clock p.m.

DISPOSITION OF MATTERS PLACED ON CLERK'S DESK

At this time, the Chair stated:

"Members, please refer now to your yellow action sheets."

Representative Saiki moved to disagree to the amendments made by the Senate to H.C.R. Nos.: 55, HD 1 (SD 1); 81, HD 1, (SD 1); 179 HD 1, (SD 1); and 230 (SD 1); and requested a conference on the subject matter of said amendments, seconded by Representative Fox and carried. (Representatives Halford, Meyer and Morita were excused)

Representative Saiki moved to agree to the amendments proposed by the Senate to H.C.R. Nos.: 62, HD 1 (SD 1); 85, HD 1 (SD 1); 151, HD 1 (SD 1); and 203 (SD 1); seconded by Representative Fox and carried. (Representatives Halford, Meyer and Morita were excused.)

ADOPTION

The following concurrent resolutions were taken from the Clerk's desk and the following action taken:

H.C.R. 62, HD 1, SD 1:

On motion by Representative Saiki, seconded by Representative Fox and carried, H.C.R. No. 62, HD 1, SD 1, entitled: "REQUESTING HAWAII'S CONGRESSIONAL DELEGATION TO INTRODUCE LEGISLATION IN CONGRESS CALLING FOR FURTHER REVIEW OF THE MIGRATION ISSUE AND FOR INCREASED FINANCIAL IMPACT ASSISTANCE FOR PROVIDING SERVICES TO CITIZENS OF THE FREELY ASSOCIATED STATES WHO RESIDE IN THE STATE OF HAWAII UNDER THE COMPACT OF FREE ASSOCIATION AND ANY NEWLY RENEGOTIATED COMPACT," was Adopted with Representatives Halford, Meyer and Morita being excused.

H.C.R. 85, HD 1, SD 1:

Representative Saiki moved that H.C.R. 85, HD 1, SD 1 be Adopted, seconded by Representative Fox.

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

"Thank you, Mr. Speaker. I rise in support of H.C.R. 151. Mr. Speaker, this particular measure relates to Universal Health Care and I just want to urge the Members of the study group, I guess that will be carrying out the duties enumerated in this particular H.C.R. I just want to urge those people to make sure to look at the whole panoply of solutions.

"I think we all agree on Universal Health Care. We may disagree as to how you make that happen. We want everyone to have healthcare, but it may not necessarily be a government run, government provided health care. It may not necessarily be socialized medicine. It may utilize market forces, and the free market principles to provide health care on a universal basis.

"I just want to urge the people that are involved in that discussion to look at all the possible solution, and not just give the Legislature a very narrowly focused recommendation or report, Mr. Speaker."

The motion was put to vote by the Chair and carried and H.C.R. No. 85, HD 1, SD 1, entitled: "REQUESTING A PROGRAM AUDIT AND INVESTIGATION OF THE VARIOUS AGENCIES INVOLVED IN THE CHILD PROTECTIVE SERVICES SYSTEM," was Adopted with Representatives Halford, Meyer and Morita being excused.

H.C.R. 151, HD 1, SD 1:

On motion by Representative Saiki, seconded by Representative Fox and carried, H.C.R. No. 151, HD 1, SD 1, entitled: "REQUESTING THE ESTABLISHMENT OF AN INTERIM WORKING GROUP ON UNIVERSAL HEALTH CARE," was Adopted with Representatives Halford, Meyer and Morita being excused.

H.C.R. 203, SD 1:

On motion by Representative Saiki, seconded by Representative Fox and carried, H.C.R. No. 203, SD 1, entitled: "REQUESTING THE DEPARTMENTS OF HUMAN SERVICES AND HEALTH TO WORK WITH HAWAII'S CONGRESSIONAL DELEGATION AND THE FEDERAL CENTERS FOR MEDICARE AND MEDICAID SERVICES TO IMPROVE ACCESS TO HEALTH CARE IN HAWAII," was Adopted with Representatives Halford, Meyer and Morita being excused.

ANNOUNCEMENTS

Representative Magaoay: "Thank you, Mr. Speaker. I just want to announce a correction on today's Order of the Day Addendum – page F. The time should be at 1:30, not 2:00 p.m. as stated."

At 12:57 o'clock p.m., Representative Kahikina requested for a recess and the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 12:59 o'clock p.m.

Representative Thielen: "Thank you, Mr. Speaker. I want to announce that in honor of Earth Day that occurred yesterday, that we celebrate Earth Aloha Friday Day traditionally in the House. I would like to remind everyone to wear a natural fiber shirt. Thank you very much."

HOUSE COMMUNICATION

House Communication dated April 23, 2003, from Patricia Mau Shimizu, Chief Clerk of the House of Representatives to the Honorable President and Members of the Senate of the State of Hawaii, informing the Senate that the House has disagreed to the amendments made by the Senate to the following House Concurrent Resolutions:

H.C.R. No. 55, HD 1 (SD 1)
H.C.R. No. 81, HD 1 (SD 1)
H.C.R. No. 179, HD 1 (SD 1)
H.C.R. No. 230 (SD 1)

House Communication dated April 23, 2003, from Patricia Mau Shimizu, Chief Clerk of the House of Representatives to the Honorable President and Members of the Senate of the State of Hawaii, informing the Senate that the House has agreed to the amendments made by the Senate on April 21, 2003 and has this day adopted the following House Concurrent Resolutions:

H.C.R. No. 62, HD 1, SD 1
H.C.R. No. 85, HD 1, SD 1
H.C.R. No. 151, HD 1, SD 1
H.C.R. No. 203, SD 1

House Communication dated April 23, 2003, from Patricia Mau Shimizu, Chief Clerk of the House of Representatives to the Honorable President and Members of the Senate of the State of Hawaii, informing the Senate that the Speaker has this day appointed as conferees on the part of the House of Representatives for the consideration of amendments proposed by the Senate to the following House Concurrent Resolutions:

<u>H.C.R. No.</u>	<u>Representatives</u>
55, HD 1, SD 1	Schatz/Morita/Wakai, Co-Chairs; Leong
81, HD 1, SD 1	Kanoho, Chair; Kaho'ohalahala, Morita, Bukoski
179, HD 1, SD 1	Arakaki/Nishimoto, Co-Chairs; Hale, Ching
230, SD 1	Waters, Chair; Mindo, Jernigan

ADJOURNMENT

At 1:00 o'clock p.m. on motion by Representative Lee, seconded by Representative Thielen and carried, the House of Representatives adjourned until 6:30 o'clock p.m., tomorrow, Thursday, April 24, 2003. (Representatives Halford, Meyer, Morita and Souki were excused.)

FIFTY-SEVENTH DAY

Thursday, April 24, 2003

The House of Representatives of the Twenty-Second Legislature of the State of Hawaii, Regular Session of 2003, convened at 6:39 o'clock p.m., with the Vice Speaker presiding.

The invocation was delivered by Representative Bud Stonebraker, after which the Roll was called showing all members present with the exception of Representatives Herkes, Hiraki, Kaho'ohalahala, M. Oshiro, Say and Tamayo, who were excused.

On motion by Representative Lee, seconded by Representative Meyer and carried, reading of the Journal was dispensed with and the Journal of the Forty-Fifth Day was approved. (Representatives Herkes, Hiraki, Kaho'ohalahala, M. Oshiro, Say and Tamayo were excused.)

GOVERNOR'S MESSAGES

The following messages from the Governor (Gov. Msg. Nos. 262 through 271) were received and announced by the Clerk:

Gov. Msg. No. 262, transmitting a report, Comprehensive Annual Financial Report prepared by the Comptroller.

Gov. Msg. No. 263, informing the House that on April 22, 2003, the following bill was signed into law:

H.B. No. 58 RELATING TO MOTOR VEHICLES
(ACT 026)

Gov. Msg. No. 264, informing the House that on April 22, 2003, the following bill was signed into law:

H.B. No. 83, RELATING TO A LAND EXCHANGE
HD 1 BETWEEN THE STATE OF HAWAII
 AND THE ALOHA COUNCIL BOY
 SCOUTS OF AMERICA (ACT 027)

Gov. Msg. No. 265, informing the House that on April 22, 2003, the following bill was signed into law:

H.B. No. 659 RELATING TO THE LEGISLATIVE
 JOURNALS (ACT 028)

Gov. Msg. No. 266, informing the House that on April 22, 2003, the following bill was signed into law:

H.B. No. 1453, RELATING TO RESIDENTIAL
HD 1 LEASEHOLDS (ACT 029)

Gov. Msg. No. 267, informing the House that on April 22, 2003, the following bill was signed into law:

H.B. No. 1572 RELATING TO PARKING FOR
HD 3 DISABLED PERSONS (ACT 030)

Gov. Msg. No. 268, informing the House that on April 22, 2003, the following bill was signed into law:

H.B. No. 818, RELATING TO ADMINISTRATIVE
HD 1 DRIVER'S LICENSE REVOCATION
 (ACT 031)

Gov. Msg. No. 269, informing the House that on April 22, 2003, the following bill was signed into law:

S.B. No. 1407 RELATING TO COMMERCIAL
 DRIVER LICENSING (ACT 032)

Gov. Msg. No. 270, informing the House that on April 23, 2003, the following bill was signed into law:

H.B. No. 1307, RELATING TO THE OFFICE OF
HD 1, SD 1 HAWAIIAN AFFAIRS (ACT 034)

Gov. Msg. No. 271, informing the House that the following measure became law on April 23, 2003, without the Governor's signature, pursuant to Section 16 of Article III of the State Constitution.

S.B. No. 616 RELATING TO HATE CRIMES
 (ACT 33)

SENATE COMMUNICATIONS

The following communications from the Senate (Sen. Com. Nos. 777 through 780) were received and announced by the Clerk:

Sen. Com. No. 777, dated April 23, 2003, informing the House that the Senate has reconsidered its action taken on March 28, 2003 in disagreeing to the amendments proposed by the House to the following Senate Bill and has moved to agree to the amendments. The Senate further informs the House that said Senate Bill has this day passed Final Reading.

1058, "RELATING TO CAPTIVE
SD 1, HD 1 INSURANCE"

Sen. Com. No. 778, dated April 23, 2003, informing the House that the Senate has reconsidered its action taken on April 2, 2003 in disagreeing to the amendments proposed by the House to the following Senate Bills and has moved to agree to the amendments. The Senate further informs the House that said Senate Bills have this day passed Final Reading.

394, HD 1 "RELATING TO CONDOMINIUM
 PROPERTY REGIMES".

1306, HD 1 "RELATING TO
 TELECOMMUNICATIONS RELAY
 SERVICES".

Sen. Com. No. 779, dated April 23, 2003, informing the House that the Senate has reconsidered its action taken on April 8, 2003 in disagreeing to the amendments proposed by the House to the following Senate Bill and has moved to agree to the amendments. The Senate further informs the House that said Senate Bill has this day passed Final Reading.

773, HD 2 "RELATING TO UNEMPLOYMENT
 INSURANCE".

Sen. Com. No. 780, dated April 23, 2003, informing the House that the Senate has reconsidered its action taken on April 10, 2003 in disagreeing to the amendments proposed by the House to the following Senate Bills and has moved to agree to the amendments. The Senate further informs the House that said Senate Bills have this day passed Final Reading.

78, "RELATING TO ELDER ABUSE".
SD 2, HD 1

1373, "RELATING TO STAFFING FOR
SD 1, HD 1 FEDERALLY FUNDED PROGRAMS".

Representatives Kaho'ohalahala, M. Oshiro, Say and Tamayo being excused.

The Chair directed the Clerk to note that H.B. No. 993, SD 1, CD 1 passed Final Reading at 7:03 o'clock p.m.

DEPARTMENTAL COMMUNICATION

The following departmental communication (Dept. Com. No. 51) was received by the Clerk and was placed on file:

Dept. Com. No. 51, from the Department of Commerce and Consumer Affairs, Division of Financial Institutions, transmitting their 2002 Annual Report.

INTRODUCTION

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

Representative Ontai introduced members of the Hawaii Youth Challenge, Lt. Col. Les Bise, Captain Christopher Slavens, Ms. Sabarina Tooney and Mr. Scott Bukoski. Mr. Bukoski is also the nephew of Representative Bukoski.

At 6:48 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 7:02 o'clock p.m.

ORDER OF THE DAY

COMMITTEE REASSIGNMENTS

The following Senate Concurrent Resolutions were re-referred to committee by the Speaker:

S.C.R.

<u>Nos.</u>	<u>Re-referred to:</u>
54	Committee on Water, Land Use, and Hawaiian Affairs, then to the Committee on Finance
143, SD 1	Committee on Health, then to the Committee on Finance

SUSPENSION OF RULES

On motion by Representative Lee, seconded by Representative Meyer and carried, the rules were suspended for the purpose of considering a bill on Final Reading on the basis of a modified consent calendar. (Representatives Evans, Herkes, Kaho'ohalahala, M. Oshiro, Say, Souki, Tamayo, Wakai, and Waters were excused.)

UNFINISHED BUSINESS

Conf. Com. Rep. No. 1 and H.B. No. 993, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 993, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO RECONSTRUCTED VEHICLES," passed Final Reading by a vote of 46 ayes to 1 no, with Representative Chang voting no, and with

STANDING COMMITTEE REPORTS

Representative Kahikina, for the Committee on Human Services and Housing presented a report (Stand. Com. Rep. No. 1665), recommending that S.C.R. No. 17, be referred to the Committee on Judiciary.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 17, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE LEGISLATURE TO CONVENE A TASK FORCE TO RE-EVALUATE THE PLACEMENT OF THE OFFICE OF THE PUBLIC GUARDIAN," was referred to the Committee on Judiciary with Representatives Kaho'ohalahala, M. Oshiro, Say and Tamayo being excused.

Representative Kahikina, for the Committee on Human Services and Housing presented a report (Stand. Com. Rep. No. 1666), recommending that S.C.R. No. 75, SD 1, be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 75, SD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING A REPORT ON THE STATE'S ACTION PLAN TO ADDRESS CHRONIC HOMELESSNESS IN HAWAII," was referred to the Committee on Finance with Representatives Kaho'ohalahala, M. Oshiro, Say and Tamayo being excused.

Representatives Kahikina and Arakaki, for the Committee on Human Services and Housing and the Committee on Health presented a report (Stand. Com. Rep. No. 1667), recommending that S.C.R. No. 56, SD 2, be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 56, SD 2, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING HAWAII'S CONGRESSIONAL DELEGATION TO INTRODUCE LEGISLATION IN CONGRESS CALLING FOR FURTHER REVIEW OF THE MIGRATION ISSUE AND FOR INCREASED FINANCIAL IMPACT ASSISTANCE FOR PROVIDING SERVICES TO CITIZENS OF THE FREELY ASSOCIATED STATES WHO RESIDE IN THE STATE OF HAWAII UNDER THE COMPACT OF FREE ASSOCIATION AND ANY NEWLY RENEGOTIATED COMPAC," was referred to the Committee on Finance with Representatives Kaho'ohalahala, M. Oshiro, Say and Tamayo being excused.

Representative Hamakawa, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 1668) recommending that S.C.R. No. 23, SD 1, be adopted.

By unanimous consent, the report of the Committee and S.C.R. No. 23, SD 1, was deferred one legislative day.

Representative Hamakawa, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 1669) recommending that S.C.R. No. 86, SD 1, be adopted.

By unanimous consent, the report of the Committee and S.C.R. No. 86, SD 1, was deferred one legislative day.

Representative Hamakawa, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 1670) recommending that S.C.R. No. 18, be adopted.

By unanimous consent, the report of the Committee and S.C.R. No. 18, was deferred one legislative day.

Representative Magaoay, for the Committee on Legislative Management presented a report (Stand. Com. Rep. No. 1671) recommending that S.C.R. No. 130, SD 1, be adopted.

By unanimous consent, the report of the Committee and S.C.R. No. 130, SD 1, was deferred one legislative day.

Representative Magaoay, for the Committee on Legislative Management presented a report (Stand. Com. Rep. No. 1672) recommending that S.C.R. No. 89, SD 1, be adopted.

By unanimous consent, the report of the Committee and S.C.R. No. 89, SD 1, was deferred one legislative day.

REPORTS OF CONFERENCE COMMITTEES

At this time, the Chair stated:

"Members, please note the 48-hour notice for Conference Committee Report Nos. 3 through 7, and 58 through 63, as listed on page 3 through 5. Any questions on those?"

Representative Hiraki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 595, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 3) recommending that H.B. No. 595, HD 1, SD 1, 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. 3 and H.B. No. 595, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHECK CASHING," was deferred for a period of 48 hours.

Representatives M. Oshiro and Nakasone, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 29, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 4) recommending that H.B. No. 29, HD 1, SD 1, 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. 4 and H.B. No. 29, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MEAL BREAKS," was deferred for a period of 48 hours.

Representatives M. Oshiro and Nakasone, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1157, SD 2, presented a report (Conf. Com. Rep. No. 5) recommending that H.B. No. 1157, 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. 5 and H.B. No. 1157, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," was deferred for a period of 48 hours.

Representatives Kanoho, Chang and B. Oshiro, for the Committee on Conference on the disagreeing vote of the House

to the amendments proposed by the Senate in H.B. No. 1285, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 6) recommending that H.B. No. 1285, HD 1, SD 1, 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. 6 and H.B. No. 1285, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HISTORIC SITES," was deferred for a period of 48 hours.

Representatives Kanoho and Takamine, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 426, HD 1, SD 2, presented a report (Conf. Com. Rep. No. 7) recommending that H.B. No. 426, 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. 7 and H.B. No. 426, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC LANDS," was deferred for a period of 48 hours.

Representatives Hiraki, B. Oshiro and Karamatsu, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1319, SD 1, HD 3, presented a report (Conf. Com. Rep. No. 58) recommending that S.B. No. 1319, SD 1, HD 3, 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. 58 and S.B. No. 1319, SD 1, HD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIFORM LIMITED PARTNERSHIP ACT," was deferred for a period of 48 hours.

Representatives Souki and Hamakawa, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1051, HD 2, presented a report (Conf. Com. Rep. No. 59) recommending that S.B. No. 1051, HD 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. 59 and S.B. No. 1051, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PERSONAL TRANSPORTATION," was deferred for a period of 48 hours.

Representatives Schatz, M. Oshiro and Wakai, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 837, SD 1, HD 2, presented a report (Conf. Com. Rep. No. 60) recommending that S.B. No. 837, SD 1, HD 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. 60 and S.B. No. 837, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO WORKFORCE DEVELOPMENT," was deferred for a period of 48 hours.

Representatives Chang, Hamakawa and Karamatsu, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 41, HD 1, presented a report (Conf. Com. Rep. No. 61) recommending that S.B. No. 41, HD 1, 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. 61 and

S.B. No. 41, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC CONTRACTS," was deferred for a period of 48 hours.

Representatives Arakaki and Hiraki, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 665, SD 1, HD 2, presented a report (Conf. Com. Rep. No. 62) recommending that S.B. No. 665, SD 1, HD 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. 62 and S.B. No. 665, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PREPAID HEALTH CARE PLAN," was deferred for a period of 48 hours.

Representative Kawakami, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1395, SD 1, HD 1, presented a report (Conf. Com. Rep. No. 63) recommending that S.B. No. 1395, SD 1, HD 1, 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. 63 and S.B. No. 1395, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE AMENDMENT OR REPEAL OF OBSOLETE TAX LAWS," was deferred for a period of 48 hours.

At this time, the Chair stated:

"Members, please refer to your yellow action sheet. Members, before we begin, when we reconsider votes, what happens is the first motion will be to reconsider our previous motion, which we disagreed. We gave a blank disagreement to all the bills that came over. Today's motion is just going to be to reconsider. It is pretty much a procedural motion.

"Tomorrow we'll be taking up these measures on Final Reading. Just to let you know. So it is actually three motions. The first is to move to reconsider. Tomorrow we'll be making a motion to agree. And the third motion will be to pass Final Reading."

SUSPENSION OF RULES

On motion by Representative Saiki, seconded by Representative Fox and carried, the rules were suspended for the purpose of reconsidering action previously taken in disagreeing to amendments proposed by the Senate to certain House Bills. (Representatives Kaho'ohalahala, M. Oshiro, Say and Tamayo were excused.)

RECONSIDERATION OF ACTION TAKEN

Representative Saiki moved that the House reconsider its action previously taken in disagreeing to amendments proposed by the Senate and gave notice of intent to agree to such amendments for the following House bills, seconded by Representative Fox, and carried: (Representatives Kaho'ohalahala, M. Oshiro, Say and Tamayo were excused.)

H.B. Nos. 123, HD 1 (SD 1); 285, HD 1 (SD 2); 548, HD 2 (SD 1); 651, HD 2 (SD 1); 662, HD 2 (SD 2); 730, (SD 1); 731, HD 1 (SD 1); 857, (SD 2); 1013, HD 3 (SD 2); 1076, HD 1 (SD 1); 1116, HD 1 (SD 2); 1198, HD 2 (SD 2); and 1607, HD 2 (SD 1)

ANNOUNCEMENTS

Representative Pendleton: "Madame Speaker, I just wanted to call a brief meeting of the Filipino Caucus immediately following this session."

At 7:08 o'clock p.m., Representative Takamine requested a recess and the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 7:09 o'clock p.m.

Representative Souki: "Yes, Madame Speaker. I would want to have all members of the Portuguese Caucus join me in Robert Nakasone's office after this meeting."

Vice Speaker Luke: "The Chair has an announcement. Especially Chairs of non-fiscal bills, please remember that the deadline to file your non-fiscal bills is 12:00 midnight. If you don't make the 12:00 midnight deadline, the bills are dead.

Representative Lee moved to keep the Journal open until 12:00 o'clock midnight this legislative day for the purpose of receiving Conference Committee Reports, seconded by Representative Meyer and carried. (Representatives Kaho'ohalahala, M. Oshiro, Say and Tamayo were excused.)

At 7:10 o'clock p.m., on motion by Representative Lee, seconded by Representative Meyer and carried, the House of Representatives stood in recess until 6:30 p.m., tomorrow, Friday, April 25, 2003. (Representatives Kaho'ohalahala, M. Oshiro, Say and Tamayo were excused.)

CONFERENCE COMMITTEE REPORTS

In accordance with the motion made earlier, the following Conference Committee Reports (Conf. Com. Rep. Nos. 8 through 23 and 64 through 73) were received in the Clerk's Office prior to 12:00 o'clock midnight this legislative day and the following action taken.

Conf. Com. Rep. No. 8 and H.B. No. 564, SD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO PROMOTION OF CONTROLLED SUBSTANCES," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 9 and H.B. No. 980, HD 1, SD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO CIVIL SETTLEMENTS," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 10 and H.B. No. 1217, HD 1, SD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONTROLLED SUBSTANCES," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 11 and H.B. No. 135, HD 1, SD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO INTERNATIONAL MATCHMAKING ORGANIZATIONS," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 12 and H.B. No. 373, HD 2, SD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO POLITICAL SPEECH," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 13 and H.B. No. 287, HD 3, SD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYEES," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 14 and H.B. No. 1214, HD 2, SD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC LAND LIABILITY," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 15 and H.B. No. 1165, HD 2, SD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO BUSINESS REGISTRATION," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 16 and H.B. No. 10, HD 2, SD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC UTILITIES," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 17 and H.B. No. 324, HD 1, SD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO DRIVER LICENSING," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 18 and H.B. No. 807, HD 2, SD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHAPTER 291E," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 19 and H.B. No. 298, HD 2, SD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO CORRECTIONAL FACILITIES," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 20 and H.B. No. 736, HD 1, SD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO PROFESSIONAL AND VOCATIONAL LICENSES," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 21 and H.B. No. 133, HD 1, SD 3, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHILD PROTECTION," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 22 and H.B. No. 562, SD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO SEXUAL ASSAULT," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 23 and H.B. No. 1010, HD 1, SD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE USE OF INTOXICANTS," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 64 and S.B. No. 946, HD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO CAREGIVER CONSENT," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 65 and S.B. No. 1201, SD 2, HD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE FRANCHISES," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 66 and S.B. No. 931, SD 2, HD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO HAWAII VICTIMS LEAVE ACT," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 67 and S.B. No. 1312, SD 1, HD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 68 and S.B. No. 830, SD 1, HD 3, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO CRIMINAL HISTORY RECORD CHECKS," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 69 and S.B. No. 1324, SD 1, HD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONCILIATION PANELS," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 70 and S.B. No. 1492, SD 1, HD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO ASSISTED LIVING FACILITIES," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 71 and S.B. No. 255, SD 2, HD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 72 and S.B. No. 975, HD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO GOVERNMENT," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 73 and S.B. No. 740, HD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

HOUSE COMMUNICATIONS

House Communication dated April 24, 2003, from Patricia Mau Shimizu, Chief Clerk of the House of Representatives to the Honorable President and Members of the Senate of the State of Hawaii, informing the Senate that the House has made the following changes to the conferees on the following measure:

S.B. No. 377, SD 1, HD 2	Discharged Representative Schatz as second Co-Chair. Added Representative Karamatsu as second Co-Chair.
-----------------------------	--

House Communication dated April 24, 2003, from Patricia Mau Shimizu, Chief Clerk of the House of Representatives to the Honorable President and Members of the Senate of the State of Hawaii, informing the Senate that H.B. No. 993, SD 1, has this day passed Final Reading in the House.

House Communication dated April 24, 2003, from Patricia Mau Shimizu, Chief Clerk of the House of Representatives to the Honorable President and Members of the Senate of the State of Hawaii, informing the Senate that the House has reconsidered its action taken in disagreeing to the amendments made by the Senate on March 28, 2003 to the following bills:

H.B. No. 1076, HD 1, SD 1
H.B. No. 1607, HD 2, SD 1

House Communication dated April 24, 2003, from Patricia Mau Shimizu, Chief Clerk of the House of Representatives to the Honorable President and Members of the Senate of the State of Hawaii, informing the Senate that the House has reconsidered its action taken in disagreeing to the amendments made by the Senate on April 4, 2003 to the following bills:

H.B. Nos.: 285, HD 1, SD 2; 651, HD 2, SD 1; 731, HD 1, SD 1; and 1198, HD 2, SD 2

House Communication dated April 24, 2003, from Patricia Mau Shimizu, Chief Clerk of the House of Representatives to the Honorable President and Members of the Senate of the State of Hawaii, informing the Senate that the House has reconsidered its action taken in disagreeing to the amendments made by the Senate on April 10, 2003 to the following bills:

H.B. Nos.: 123, HD 1, SD 1; 548, HD 2, SD 1; 662, HD 2, SD 2; 730, SD 1; 857, SD 2; 1013, HD 3, SD 2; and 1116, HD 1, SD 2

ADJOURNMENT

At 12:00 o'clock midnight, the House of Representatives adjourned until 6:30 o'clock p.m. tomorrow, Friday, April 25, 2003.

FIFTY-EIGHTH DAY

Friday, April 25, 2003

The House of Representatives of the Twenty-Second Legislature of the State of Hawaii, Regular Session of 2003, convened at 6:38 o'clock p.m., with the Speaker presiding.

The invocation was delivered by Representative Michael Puamamo Kahikina, after which the Roll was called showing all members present with the exception of Representatives Bukoski and Pendleton, who were excused.

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

SENATE COMMUNICATIONS

The following communications from the Senate (Sen. Com. Nos. 781 through 786) were received and announced by the Clerk:

Sen. Com. No. 781, transmitting H.C.R. No. 93, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING A STUDY OF THE FEASIBILITY OF MEDICAL SAVINGS ACCOUNTS," which was adopted by the Senate on April 24, 2003.

Sen. Com. No. 782, transmitting H.C.R. No. 128, HD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING TELECOMMUNICATIONS AND CALL CENTERS TO INITIATE CUSTOMER RIGHT TO KNOW PROCEDURES REGARDING ALL INBOUND AND OUTBOUND COMMUNICATIONS," which was adopted by the Senate on April 24, 2003.

Sen. Com. No. 783, transmitting H.C.R. No. 135, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM TO ESTABLISH A TASK FORCE TO DEVELOP AN EMERGENCY ACTION PLAN TO ASSIST AND EMPOWER THE WAI'ANAE COMMUNITY AND OTHER COMMUNITIES AROUND THE STATE TO FOSTER GREATER SELF-SUFFICIENCY," which was adopted by the Senate on April 24, 2003.

Sen. Com. No. 784, dated April 24, 2003, informing the House that the Senate has agreed to the amendments proposed by the House to the following Senate Concurrent Resolution and that said resolution was this day adopted in final form by the Senate.

S.C.R. No.

6, SD 1, HD 1

"REQUESTING A STUDY ON THE EFFECTS OF BIG BOX RETAILERS ON LOCAL SMALL AND MEDIUM RETAIL BUSINESSES"

Sen. Com. No. 785, dated April 24, 2003, informing the House that the Senate has reconsidered its action taken on April 10, 2003 in disagreeing to the amendments proposed by the House to the following Senate Bills and has moved to agree to the amendments. The Senate further informs the House that said Senate Bills have this day passed Final Reading.

S.B. No.

373, SD 1, HD 2 "RELATING TO CONDOMINIUM PROPERTY REGIMES"

658, SD 1, HD 3 "RELATING TO EMERGENCY CONTRACEPTIVES FOR SEX ASSAULT SURVIVORS IN EMERGENCY ROOMS"

Sen. Com. No. 786, dated April 24, 2003, informing the House that the following bill has this day passed Final Reading.

H.B. No.

993, SD 1, CD 1 "RELATING TO RECONSTRUCTED VEHICLES"

INTRODUCTION

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

Representative Lee introduced Ms. Nancy McGuckin and a group of student nurses interning with the Legislature this year.

At 6:51 o'clock p.m., Representative Lee requested a recess and the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 7:25 o'clock p.m.

ORDER OF THE DAY

UNFINISHED BUSINESS

Representative Hamakawa, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 1668) recommending that S.C.R. No. 23, SD 1, be adopted.

Representative Saiki moved that the report of the Committee be adopted and that S.C.R. No. 23, SD 1, be adopted, seconded by Representative Lee.

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

"Mr. Speaker in opposition to SCR 23, the Hawaii State Commission on the Status of Women. Mr. Speaker, I just want to kind of, in a low-key way, introduce some evidence that I haven't heard too often on the floor of the House. In an article by Diana Furchtgott-Roth, she says, and this was in the *Advertiser* on February 2, 2000. She said that study after study shows that the women who are in the same jobs as men, who have the same qualifications and who don't cut back on their time in the workforce because of child rearing, practically make the same amount as men. About .95 cents on the dollar. Moreover, any woman who feels that she is discriminated against has the legal right to sue. And of course we know that, that's true.

"Another study, and this is from last year, April 4th, 2002, it is done by the Employment Policy Foundation. This study found out that if you look at the category of never-married, childless career women, they earn \$1.02 for every dollar earned by a man in the same situation.

"Finally from the work done by the Director of Woman's Studies at the University of Hawaii at Manoa, Kathy Ferguson, she found that the gender gap at Hawaii's colleges could signal a shift in the State workforce with women coming out on top. She pointed out in this article from the *Star Bulletin* in August 2002 that last year, 169,000 more women earned Bachelor's

Degrees than men, nationwide. She concluded that women will inevitably be more likely to secure top level positions over time, even in predominantly male fields. She pointed out that since 1991, women have accounted for about 60% of Master's Degrees earned at the University of Hawaii. And accounted for 64% for the year 2000. Even in the field of PhDs, women have approached basic parity. They are now at 47.2%, so overall, the women at the University of Hawaii have come up to 58% of the population. 42% men. So her basic point is that over time, women will run the world. In Hawaii we had two women run for Governor, and are led by a woman Governor."

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

"Thank you, Mr. Speaker. In opposition. After reviewing the Governor's decision to eliminate funding for the Hawaii State Commission on the Status of Woman, I found her decision to be made in sound judgment. The Commission receives about \$95,000 annually from the general fund and under Act 270, we have a private charitable trust fund that was established to enable the Commission to become financially self-sufficient, so that it would not be affected by budget cuts.

"According to the *Star Bulletin*, this trust presently contains a \$150,000. Back in March, in an informational briefing on the 'shredding of the safety net for the health and human services', numerous social agencies testified on the impact of the denial of State funds that this would have on the services they provide. You know, when looking at prioritizing our funds, I have a whole list of areas in which we help women in direct ways with other social programs that are very needed out there. And I think prioritizing them first before the Commission would be in sound judgment, as well as just that they do have a place to get some money for the at least the next year. So that is why I stand in opposition. Thank you."

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

"Mr. Speaker, I stand in strong support of the resolution and I have written comments to include in the Journal. In addition I would like to insert in the Journal the contents of H.C.R. No. 7, that was passed by the 2000 State Legislature including many of the people sitting here today unanimously," and the Chair "so ordered."

"I'd just like to read briefly from this. "The Commission is integral to providing core services and in educating, coordinating, and disseminating information regarding women, family and community issues statewide;..." I believe the Legislature made a statement in the year 2000, that the Commission provides core services. And I think that is still true."

Representative Lee's written remarks are as follows:

"Mr. Speaker, I stand in strong support of this resolution. I have written remarks to place in the Journal. However, I would also like to place in the Journal the text of HCR 7, HD 1 from the 2000 Session of the Hawaii State Legislature, and to read from the document which was unanimously approved by this Body, including many of those who are here today. "The Commission is integral to providing core services, and in educating, coordinating and disseminating information regarding women, family and community issues statewide". I urge the members to support funding for this core service of government.

"Mr. Speaker, as I listened to the misogynist ranting of the Minority Leader, I reflected on how much his opinions seem to have changed since the 2000 Legislative Session. Today, the Minority Leader stated that the Commission on the Status of Women is unnecessary because "women are no longer

unequal", and will soon be "taking over the planet." Perhaps the Representative from Waikiki is able to say this because he himself is from another planet – a planet where equal pay reigns, there is no violence against women, no glass ceiling, and no need for women to protect their rights to choice.

"The Minority Floor Leader no longer recognizes the Commission as "core" despite the fact that she helped to introduce and voted for HCR 7 in the year 2000.

"Mr. Speaker, in 2002, Hawaii ranked 27th of 50 states in terms of women's employment and earnings. In the year 2000, Hawaii ranked 16th, yet we are behind in many ways.

"We have the dubious distinction of being rated last in women's voter registration, and are 46th in women's voter turnout. It is obvious by looking around you that we have far to go before this House has equal representation of men and women.

"Hawaii reflects both the advances and limited progress achieved by women in the United States. Women in Hawaii as a whole are seeing important changes in their lives and in their access to political, economic and social justice. However, by no means do they enjoy equality with men., and they still lack many of the legal guarantees that would allow them to achieve that equality.

"The current administration in Washington is waging a "war against women" states the New York Times (Editorial, January 12, 2003). It is hard to disagree when we look at the Bush Administration's track record on women's human rights both here and abroad.

"In the struggle of women in Hawaii to preserve and protect our rights and save women's lives through enlightened public policy, I am dismayed at the shockingly long list of anti-women policies that reach into every corner of our lives. It has been the Commission that has led the fight against the outrageous actions in Washington.

"Our State government -- and all governments -- must support the full equality and empowerment of women.

"I urge the 3 women who spoke against this measure to reconsider -- for if women don't stand together, we may not succeed in the end.

"I urge the Members to strongly support this measure, which is so symbolic of the value placed upon the role of women in our State."

HOUSE OF REPRESENTATIVES
TWENTIETH LEGISLATURE, 2000
STATE OF HAWAII

H.C.R. No. 7, HD 1

HOUSE CONCURRENT RESOLUTION SUPPORTING THE
HAWAII STATE COMMISSION ON THE STATUS OF
WOMEN.

WHEREAS, the status of women is key to the condition, stability, and well-being of society; and

WHEREAS, the contributions by women to the overall health of the national and state economy are significant. Consider these facts:

(1) Women-owned businesses employ one in four Americans and contribute annually \$2.3 trillion to the United States economy; and

- (2) Women make 80 percent of consumer decisions; and

WHEREAS, women's dual commitment to family and work is a fundamental function in the community, and therefore women's concerns and perspectives in policy-making is key; and

WHEREAS, on the celebrated occasion of the 80th anniversary of women's suffrage in the United States, the majority of voters nationwide is women; and

WHEREAS, despite the impressive roles and functions of women to the community, the situation of women is still cause for concern. Consider these facts:

- (1) Two-thirds of the 60 million women who work outside of the home do not have a pension plan and those that do receive half as much as men;

- (2) Roughly 40 percent of women over 65 years of age are poor or almost poor as compared to less than 13 percent for men;

- (3) Women of childbearing age (15-44) pay 68 percent more in out-of-pocket health care costs than their male counterparts;

- (4) Domestic violence is now recognized as a leading cause of death for women ages 14-44 worldwide; and

- (5) Nationally, 63 percent of women with children under the age of six work and 78 percent of women with children 6-17 are in the labor force (the percentages for Hawaii are much higher);

and

WHEREAS, advancing women's causes must continue for the betterment of society; and

WHEREAS, the Hawaii's State Commission on the Status of Women (Commission) was established by the Governor by executive order on May 15, 1964, to, among other things, coordinate research planning, programming, and action on the opportunities, needs, problems, and contributions of women in Hawaii in education, homemaking, civil and legal rights, labor and employment, and expanded community horizons; and

WHEREAS, since its inception, the Commission has consistently promoted the equality of women and gender equity issues; and

WHEREAS, the Commission's statutorily mandated functions and responsibilities in the following areas include:

- (1) Acting as a central clearinghouse and coordinating body for governmental and nongovernmental activities and information relating to the status of women;

- (2) Accumulating, compiling, and publishing information concerning instances of actual discrimination, and discrimination in the law, against women;

- (3) Cooperating with the Department of Labor and Industrial Relations, other state departments and agencies, and appropriate federal offices and agencies in correcting unlawful employment practices in public and private employment involving discrimination because of sex;

- (4) Creating public awareness and understanding of the responsibilities, needs, potential, and contributions of women

as homemakers, workers, and active participants in the community and the importance of each of these roles in society;

- (5) Recommending legislative and administrative action on equal treatment and opportunities for women;

- (6) Seeking improvements in educational and counseling programs and policies to meet the needs of girls and women to better prepare them for their roles in the home and community;

- (7) Encouraging a long-range program of education for women of their political rights and responsibilities, particularly with respect to their voting duties;

- (8) Maintaining contacts with appropriate federal, state, local, and international agencies concerned with the status of women; and

- (9) Cooperating with national groups on the status of women and arranging for participation by representatives of the State in White House conferences and other national conferences;

and

WHEREAS, these key services are critical to the well-being of the community at-large and essential in furthering social, economic, and political equality for women; and

WHEREAS, moreover, the Commission is integral to providing core services and in educating, coordinating, and disseminating information regarding women, family, and community issues statewide; now, therefore,

BE IT RESOLVED by the House of Representatives of the Twentieth Legislature of the State of Hawaii, Regular Session of 2000, the Senate concurring, that this body supports the Hawaii State Commission on the Status of Women; and

BE IT FURTHER RESOLVED that the Governor allocate adequate funding to the Hawaii State Commission on the Status of Women so that it may be able to carry out its duties as mandated by law; and

BE IT FURTHER RESOLVED that certified copies of this Concurrent Resolution be transmitted to the Governor and the Executive Director of the Commission on the Status of Women.

*Adopted by the Legislature
April 24, 2000*

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

"Yes, Mr. Speaker. Thank you. I rise in support of the resolution. It is my belief that half of the working force is probably female, and I wish to say that I look forward to half of this legislative Body being female. Thank you."

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

"Thank you, Mr. Speaker. I rise in opposition to the measure, and I would like the Clerk to register the words of the Minority Leader and the good Representative from Foster Village. I don't think that the Commission on the Status of Women is a core function of government. In these austere times when we are searching for money for many, many really needed services, I think that it is appropriate not to fund this.

"And as the Representative from Foster Village brought up, there is this trust fund that will keep them going, and they are so closely affiliated with many other non-profit groups that

have other sources of money. I think it is a good decision at this time. Not an easy one, but one that is sensible. Thank you."

At this time, the Chair stated:

"We've had a lot of discussion. All of those who want to cast their no votes, because this is a voice vote, please stand and be recorded at this time."

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

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

"I'd like to cast a no vote with the words of the Foster Village Representative because I really believe that we should use those funds for those people that really need it, and we have enough for another year. And because of that I will vote no."

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

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

"Thank you, Mr. Speaker. A yes vote please, and I would like to echo the words of the Representative from the Big Island that I too, look forward that someday this Body will be equal in membership between men and woman."

"Mr. Speaker, I would like to also, if I may, just comment if people are casting a no vote because they feel that women are equal. I think they need to reexamine that wrong assumption. Mr. Speaker, we wouldn't have had veiled women in Afghanistan, and girls prohibited from going to school. We wouldn't have genitalia mutilation. We wouldn't have the trafficking in paid-for wives. We wouldn't have rape. We wouldn't have all the things that have been so abhorrent that we need to continue to fight against."

"The world is not equal, Mr. Speaker. The State of Hawaii is not equal. And you take a look at the number of caregivers that are primarily female. You take a look at the household work that is done primarily by women. You take a look at that. If you give up the idea of having children, and instead go just for a career, you may be equal to the man. But that is at great cost and I think it is an unfair thing to expect. That for women to have equality in the work place, they then have to give up being a mother. 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.C.R. No. 23, SD 1, entitled: "SENATE CONCURRENT RESOLUTION URGING THE GOVERNOR TO ALLOCATE ADEQUATE FUNDING TO THE HAWAII STATE COMMISSION ON THE STATUS OF WOMEN TO ENABLE IT TO CARRY OUT ITS MISSION AND DUTIES AS MANDATED BY LAW," was adopted, with Representatives Finnegan, Fox, Leong, Meyer, Moses and Ontai voting no, and with Representatives Bukoski, Hiraki, Kahikina and Pendleton being excused.

Representative Hamakawa, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 1669) recommending that S.C.R. No. 86, SD 1, be adopted.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 86, SD 1, entitled: "SENATE CONCURRENT RESOLUTION CONVENING A TASK FORCE TO DETERMINE WHETHER HAWAII SHOULD ENACT A THREE STRIKES LAW," was adopted, with

Representatives Bukoski, Hiraki, Kahikina and Pendleton being excused.

Representative Hamakawa, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 1670) recommending that S.C.R. No. 18, be adopted.

Representative Saiki moved that the report of the Committee be adopted and that S.C.R. No. 18, be adopted, seconded by Representative Lee.

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

"Thank you, Mr. Speaker. In opposition. Thank you, Mr. Speaker. I have to say this it is not as bad as an earlier measure we heard on this subject, but I still have great concerns about it. It starts off fine. It talks about the State of Hawaii upholding the United States Constitution and the Bill of Rights. I think we all agree with that."

"Then it goes on, and then like in the fifth 'Whereas' it talks about the adoption of the USA Patriot Act and several Executive Orders may, and it goes on, may unconstitutionally infringe upon, and it goes on, the first amendment freedoms guaranteed by the Constitution of Hawaii and the United States. If we believe that if it may unconstitutionally infringe, then we ought to let the courts decide whether or not it is unconstitutional."

"I need to remind this Body that both of our Senators, our US Senators voted for this Act. They must not have believed it was unconstitutional. If we do, we have to remember the separation of powers. And it's up to the Judicial branch to look at these measures passed by the Executive branch. It is not up to us. Thank you, Mr. Speaker."

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

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

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

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

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

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

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

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

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

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

"Mr. Speaker, I rise in support of this resolution. Mr. Speaker, ever since the horrendous events of 9/11, we have watched the federal government attempt to tread over our historic freedoms in the name of enhancing our safety as a nation. This on-going erosion of our civil liberties, Mr. Speaker, has been a cynical ploy to take advantage of the legitimate fears that terrorist attacks have engendered. These

include, for example Mr. Speaker, undermining the Freedom of Information Act, circumscribing the rights of religious or political organizations to organize, rolling back many of the safeguards that were put into place after the abuses of the Watergate era, Mr. Speaker.

"As perhaps the greatest Republican to serve as President of our great nation, and I quote Abraham Lincoln, "America will never be destroyed from outside. If we falter and lose our freedoms, it will be because we have destroyed ourselves." So the USA Patriot Act, Mr. Speaker, should expire by its own sunset clause in 2005. It should not be extended and it should not be enhanced by a USA Patriot 2 Act. Thank you."

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

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.C.R. No. 18, entitled: "SENATE CONCURRENT RESOLUTION REAFFIRMING THE STATE OF HAWAII'S COMMITMENT TO CIVIL LIBERTIES AND THE BILL OF RIGHTS," was adopted, with Representatives Blundell, Ching, Finnegan, Fox, Halford, Jernigan, Leong, Marumoto, Meyer, Moses, Stonebraker and Tamayo voting no, and with Representatives Bukoski, Hiraki, Kahikina and Pendleton being excused.

Representative Magaoay, for the Committee on Legislative Management presented a report (Stand. Com. Rep. No. 1671) recommending that S.C.R. No. 130, SD 1, be adopted.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 130, SD 1, entitled: "SENATE CONCURRENT RESOLUTION ESTABLISHING AN AWARDS PROGRAM TO RECOGNIZE BUSINESSES WITH PARENT-FRIENDLY POLICIES," was adopted, with Representatives Bukoski, Hiraki, Kahikina and Pendleton being excused.

Representative Magaoay, for the Committee on Legislative Management presented a report (Stand. Com. Rep. No. 1672) recommending that S.C.R. No. 89, SD 1, be adopted.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 89, SD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING A STUDY ON REAL PROPERTY LEASES," was adopted, with Representatives Bukoski, Hiraki, Kahikina and Pendleton being excused.

SUSPENSION OF RULES

On motion by Representative Lee, seconded by Representative Meyer and carried, the rules were suspended for the purpose of considering bills on Final Reading on the basis of a modified consent calendar. (Representatives Bukoski, Hiraki, Kahikina and Pendleton were excused.)

Conf. Com. Rep. No. 2 and H.B. No. 192, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 192, HD 1, SD 1, CD 1, entitled: "A

BILL FOR AN ACT RELATING TO ACCRETED LANDS," passed Final Reading by a vote of 47 ayes and, with Representatives Bukoski, Hiraki, Kahikina and Pendleton being excused.

Conf. Com. Rep. No. 51 and S.B. No. 295, SD 1, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that S.B. 295, SD 1, HD 1, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Meyer: Mr. Speaker, I'll be voting no on this issue. I just view this bill as additional regulation and I'm not at all happy with the increased fees."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 295, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE TOWING," passed Final Reading by a vote of 42 ayes to 5 noes, with Representatives Jernigan, Meyer, Ontai, Stonebraker and Thielen voting no and, with Representatives Bukoski, Hiraki, Kahikina and Pendleton being excused.

Conf. Com. Rep. No. 52 and S.B. No. 1200, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1200, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CAPTIVE INSURANCE," passed Final Reading by a vote of 47 ayes and, with Representatives Bukoski, Hiraki, Kahikina and Pendleton being excused.

Conf. Com. Rep. No. 53 and S.B. No. 1630, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1630, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO NONPROFIT CORPORATIONS," passed Final Reading by a vote of 47 ayes and, with Representatives Bukoski, Hiraki, Kahikina and Pendleton being excused.

Conf. Com. Rep. No. 54 and S.B. No. 933, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 933, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STALKING," passed Final Reading by a vote of 47 ayes and, with Representatives Bukoski, Hiraki, Kahikina and Pendleton being excused.

Conf. Com. Rep. No. 55 and S.B. No. 1267, HD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1267, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TOBACCO," passed Final Reading by a vote of 46 ayes to 1 no, with Representative Sonson voting no and, with Representatives Bukoski, Hiraki, Kahikina and Pendleton being excused.

Conf. Com. Rep. No. 56 and S.B. No. 1274, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1274, SD 1, HD 1, CD 1, entitled:

"A BILL FOR AN ACT RELATING TO MANSLAUGHTER," passed Final Reading by a vote of 47 ayes and, with Representatives Bukoski, Hiraki, Kahikina and Pendleton being excused.

Conf. Com. Rep. No. 57 and S.B. No. 1460, SD 1, HD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1460, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONTRACTS ENTERED INTO BY THE HAWAII TOURISM AUTHORITY," passed Final Reading by a vote of 47 ayes and, with Representatives Bukoski, Hiraki, Kahikina and Pendleton being excused.

The Chair directed the Clerk to note that H.B. No. 192, HD 1, SD 1, CD 1; S.B. Nos.: 295, SD 1, HD 1, CD 1; 1200, SD 1, HD 1, CD 1; 1630, HD 1, CD 1; 933, SD 1, HD 1 CD 1; 1267, HD 2, CD 1; 1274, SD 1, HD 1, CD 1; and 1460, SD 1, HD 2, CD 1; had passed Final Reading at 7:41 o'clock p.m.

REPORTS OF STANDING COMMITTEES

Representative Hamakawa, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 1673) recommending that S.B. No. 617, pass Second Reading and be placed on the calendar for Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 617, pass Second Reading and be placed on the calendar for Third Reading, seconded by Representative Lee.

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

"Thank you, Mr. Speaker. I'd like to speak against this bill. I just want to express my disappointment that we aren't moving forward the enabling legislation. The people voted for a constitutional amendment last year and it would seem appropriate to put the proper statutory language in place this year. Instead we have a bill calling for a taskforce, which is a euphemism for study. 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. 617, entitled: "A BILL FOR AN ACT RELATING TO CRIMINAL OFFENSES," passed Second Reading and was placed on the calendar for Third Reading with Representative Fox voting no, and with Representatives Bukoski, Hiraki, Kahikina and Pendleton being excused.

Representative Hamakawa, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 1674) recommending that S.B. No. 1275, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1275, entitled: "A BILL FOR AN ACT RELATING TO ASSAULT AGAINST LAW ENFORCEMENT OFFICERS," passed Second Reading and was placed on the calendar for Third Reading with Representatives Bukoski, Hiraki, Kahikina and Pendleton being excused.

At this time, the Chair announced:

"The reports of Conference Committee, please note the 48-hour notice for Conference Committee Reports Nos. 8 to 26; and 64 to 80, as listed on pages 5 to 10. Is everyone aware? Okay, we can move on. Those are all 48-hour notice."

REPORTS OF CONFERENCE COMMITTEES

Representative Hamakawa, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 564, SD 1, presented a report (Conf. Com. Rep. No. 8) recommending that H.B. No. 564, SD 1, 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. 8 and H.B. No. 564, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PROMOTION OF CONTROLLED SUBSTANCES," was deferred for a period of 48 hours.

Representative Hamakawa, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 980, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 9) recommending that H.B. No. 980, HD 1, SD 1, 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. 9 and H.B. No. 980, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CIVIL SETTLEMENTS," was deferred for a period of 48 hours.

Representative Hamakawa, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1217, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 10) recommending that H.B. No. 1217, HD 1, SD 1, 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. 10 and H.B. No. 1217, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONTROLLED SUBSTANCES," was deferred for a period of 48 hours.

Representative Hamakawa, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 135, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 11) recommending that H.B. No. 135, HD 1, SD 1, 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. 11 and H.B. No. 135, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INTERNATIONAL MATCHMAKING ORGANIZATIONS," was deferred for a period of 48 hours.

Representatives Hiraki and B. Oshiro, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 373, HD 2, SD 1, presented a report (Conf. Com. Rep. No. 12) recommending that H.B. No. 373, HD 2, SD 1, 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. 12 and H.B. No. 373, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO POLITICAL SPEECH," was deferred for a period of 48 hours.

Representatives M. Oshiro, B. Oshiro and Nakasone, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 287,

HD 3, SD 2, presented a report (Conf. Com. Rep. No. 13) recommending that H.B. No. 287, HD 3, 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. 13 and H.B. No. 287, HD 3, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYEES," was deferred for a period of 48 hours.

Representatives Kanoho and B. Oshiro, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1214, HD 2, SD 2, presented a report (Conf. Com. Rep. No. 14) recommending that H.B. No. 1214, HD 2, 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. 14 and H.B. No. 1214, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC LAND LIABILITY," was deferred for a period of 48 hours.

Representatives Hiraki, Hamakawa and Magaoay, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1165, HD 2, SD 1, presented a report (Conf. Com. Rep. No. 15) recommending that H.B. No. 1165, HD 2, SD 1, 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. 15 and H.B. No. 1165, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO BUSINESS REGISTRATION," was deferred for a period of 48 hours.

Representatives Morita and Hiraki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 10, HD 2, SD 1, presented a report (Conf. Com. Rep. No. 16) recommending that H.B. No. 10, HD 2, SD 1, 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. 16 and H.B. No. 10, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC UTILITIES," was deferred for a period of 48 hours.

Representative Hamakawa, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 324, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 17) recommending that H.B. No. 324, HD 1, SD 1, 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. 17 and H.B. No. 324, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DRIVER LICENSING," was deferred for a period of 48 hours.

Representatives Souki and Hamakawa, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 807, HD 2, SD 2, presented a report (Conf. Com. Rep. No. 18) recommending that H.B. No. 807, HD 2, 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. 18 and H.B. No. 807, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN

ACT RELATING TO CHAPTER 291E," was deferred for a period of 48 hours.

Representatives Ito and Mindo, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 298, HD 2, SD 2, presented a report (Conf. Com. Rep. No. 19) recommending that H.B. No. 298, HD 2, 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. 19 and H.B. No. 298, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CORRECTIONAL FACILITIES," was deferred for a period of 48 hours.

Representatives Hiraki and Hamakawa, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 736, HD 1, SD 2, presented a report (Conf. Com. Rep. No. 20) recommending that H.B. No. 736, 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. 20 and H.B. No. 736, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PROFESSIONAL AND VOCATIONAL LICENSES," was deferred for a period of 48 hours.

Representatives Hamakawa and Ito, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 133, HD 1, SD 3, presented a report (Conf. Com. Rep. No. 21) recommending that H.B. No. 133, HD 1, SD 3, 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. 21 and H.B. No. 133, HD 1, SD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHILD PROTECTION," was deferred for a period of 48 hours.

Representative B. Oshiro, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 562, SD 1, presented a report (Conf. Com. Rep. No. 22) recommending that H.B. No. 562, SD 1, 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. 22 and H.B. No. 562, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SEXUAL ASSAULT," was deferred for a period of 48 hours.

Representative Hamakawa, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1010, HD 1, SD 2, presented a report (Conf. Com. Rep. No. 23) recommending that H.B. No. 1010, 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. 23 and H.B. No. 1010, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE USE OF INTOXICANTS," was deferred for a period of 48 hours.

Representatives Souki and Takamine, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1230, HD 1, SD 2, presented a report (Conf. Com. Rep. No. 24)

recommending that H.B. No. 1230, 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. 24 and H.B. No. 1230, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TRANSPORTATION," was deferred for a period of 48 hours.

Representative Takamine, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1154, HD 1, SD 2, presented a report (Conf. Com. Rep. No. 25) recommending that H.B. No. 1154, 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. 25 and H.B. No. 1154, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO UNCLAIMED PROPERTY," was deferred for a period of 48 hours.

Representatives Takai, Arakaki and Nishimoto, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 422, HD 2, SD 2, presented a report (Conf. Com. Rep. No. 26) recommending that H.B. No. 422, HD 2, 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. 26 and H.B. No. 422, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO A CENTER FOR NURSING," was deferred for a period of 48 hours.

Representatives Kahikina and Hamakawa, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 946, HD 2, presented a report (Conf. Com. Rep. No. 64) recommending that S.B. No. 946, HD 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. 64 and S.B. No. 946, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CAREGIVER CONSENT," was deferred for a period of 48 hours.

Representatives Hiraki and Hamakawa, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1201, SD 2, HD 1, presented a report (Conf. Com. Rep. No. 65) recommending that S.B. No. 1201, SD 2, HD 1, 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. 65 and S.B. No. 1201, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE FRANCHISES," was deferred for a period of 48 hours.

Representatives M. Oshiro and Nakasone, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 931, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 66) recommending that S.B. No. 931, SD 2, HD 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. 66 and S.B. No. 931, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN

ACT RELATING TO HAWAII VICTIMS LEAVE ACT," was deferred for a period of 48 hours.

Representatives M. Oshiro and Nakasone, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1312, SD 1, HD 2, presented a report (Conf. Com. Rep. No. 67) recommending that S.B. No. 1312, SD 1, HD 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. 67 and S.B. No. 1312, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," was deferred for a period of 48 hours.

Representatives M. Oshiro, Hamakawa and Shimabukuro, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 830, SD 1, HD 3, presented a report (Conf. Com. Rep. No. 68) recommending that S.B. No. 830, SD 1, HD 3, 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. 68 and S.B. No. 830, SD 1, HD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CRIMINAL HISTORY RECORD CHECKS," was deferred for a period of 48 hours.

Representatives Hiraki and B. Oshiro, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1324, SD 1, HD 2, presented a report (Conf. Com. Rep. No. 69) recommending that S.B. No. 1324, SD 1, HD 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. 69 and S.B. No. 1324, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONCILIATION PANELS," was deferred for a period of 48 hours.

Representatives Arakaki, Kahikina and Hiraki, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1492, SD 1, HD 2, presented a report (Conf. Com. Rep. No. 70) recommending that S.B. No. 1492, SD 1, HD 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. 70 and S.B. No. 1492, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ASSISTED LIVING FACILITIES," was deferred for a period of 48 hours.

Representatives Abinsay, Kanoho and B. Oshiro, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 255, SD 2, HD 1, presented a report (Conf. Com. Rep. No. 71) recommending that S.B. No. 255, SD 2, HD 1, 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. 71 and S.B. No. 255, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," was deferred for a period of 48 hours.

Representatives Chang, B. Oshiro and Karamatsu, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 975, HD 1, presented a report (Conf. Com. Rep. No. 72)

recommending that S.B. No. 975, HD 1, 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. 72 and S.B. No. 975, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO GOVERNMENT," was deferred for a period of 48 hours.

Representatives Arakaki and Nishimoto, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 740, HD 2, presented a report (Conf. Com. Rep. No. 73) recommending that S.B. No. 740, HD 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. 73 and S.B. No. 740, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," was deferred for a period of 48 hours.

Representatives Chang, Hamakawa and Karamatsu, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 38, HD 2, presented a report (Conf. Com. Rep. No. 74) recommending that S.B. No. 38, HD 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. 74 and S.B. No. 38, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII TOURISM AUTHORITY," was deferred for a period of 48 hours.

Representatives Kahikina, Hamakawa and Shimabukuro, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1352, SD 1, HD 2, presented a report (Conf. Com. Rep. No. 75) recommending that S.B. No. 1352, SD 1, HD 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. 75 and S.B. No. 1352, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HOME AND COMMUNITY-BASED SERVICES," was deferred for a period of 48 hours.

Representatives Kahikina and Shimabukuro, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1423, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 76) recommending that S.B. No. 1423, SD 2, HD 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. 76 and S.B. No. 1423, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO A COMMISSION ON FATHERHOOD," was deferred for a period of 48 hours.

Representatives M. Oshiro and Nakasone, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 205, SD 3, HD 2, presented a report (Conf. Com. Rep. No. 77) recommending that S.B. No. 205, SD 3, HD 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. 77 and S.B. No. 205, SD 3, HD 2, CD 1, entitled: "A BILL FOR AN

ACT RELATING TO EMPLOYMENT," was deferred for a period of 48 hours.

Representatives M. Oshiro and Takamine, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1443, HD 1, presented a report (Conf. Com. Rep. No. 78) recommending that S.B. No. 1443, HD 1, 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. 78 and S.B. No. 1443, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," was deferred for a period of 48 hours.

Representatives M. Oshiro and Takamine, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1444, HD 1, presented a report (Conf. Com. Rep. No. 79) recommending that S.B. No. 1444, HD 1, 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. 79 and S.B. No. 1444, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," was deferred for a period of 48 hours.

Representatives M. Oshiro and Nakasone, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1309, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 80) recommending that S.B. No. 1309, SD 2, HD 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. 80 and S.B. No. 1309, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," was deferred for a period of 48 hours.

At this time, the Chair announced:

"Members, at this time, please refer to your yellow action sheets. Does everyone have their action sheets before you? Okay."

SUSPENSION OF RULES

Representative Saiki moved to suspend the rules of House for the purpose of reconsidering action previously taken in disagreeing to amendments proposed by the Senate to certain House Bills.

At 7:43 o'clock p.m., Representative Fox requested a recess and the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 7:45 o'clock p.m.

At this time, the Chair recognized Representative Lee who seconded the motion.

The Chair then stated:

"Members, are there any questions on the motion to suspend the rules of the House to reconsider action previously taken in

disagreeing to the amendments made by the Senate to certain House bills. Any questions?"

The motion was put to vote by the Chair and carried and the rules of the House were suspended for the purpose of reconsidering action previously taken in disagreeing to amendments proposed by the Senate to certain House Bills. (Representatives Bukoski, Hiraki, Ito, Kahikina, Kanoho and Pendleton were excused.)

RECONSIDERATION OF ACTION TAKEN

Representative Saiki moved that the House reconsider its action previously taken in disagreeing to amendments proposed by the Senate and gave notice of intent to agree to such amendments for the following House bills, seconded by Representative Lee, and carried: (Representatives Bukoski, Hiraki, Kahikina, M. Oshiro and Pendleton were excused.)

H.B. Nos.: 75, HD 2; (SD 1); 127, HD 1, (SD 1); 139, HD 1, (SD 1); 377, HD 1, (SD 1); 384, HD 1, (SD 1); 401, HD 1, (SD 1); 1155, HD 1, (SD 1); 1160, HD 1, (SD 1); 1161, HD 1, (SD 1); 1163, (SD 1); 1212, HD 1, (SD 1); 1328, HD 1, (SD 1); 1594, HD 1, (SD 1);

At this time, the Chair recognized Representative Saiki, stating:

"Representative Saiki, please explain what we did on this particular motion, to the Members of the House. On the prior motion to reconsider. Just explain why we are now reconsidering and that these measures are now going to be moving on."

Representative Saiki responded, stating:

"The House Conference Committees have agreed to accept the Senate amendments."

FINAL READING

The following bills were taken from the Clerk's desk and the following action taken:

Representative Saiki then moved to agree to the amendments proposed by the Senate to the following House bills, seconded by Representative Lee. H.B. Nos. 123, HD 1 (SD 1); 285, HD 1 (SD 2); 548, HD 2 (SD 1); 651, HD 2 (SD 1); 662, HD 2 (SD 2); 730, (SD 1); 731, HD 1 (SD 1); 857, (SD 2); 1013, HD 3 (SD 2); 1076, HD 1 (SD 1); 1116, HD 1 (SD 2); 1198, HD 2 (SD 2); and 1607, HD 2 (SD 1).

Representative Meyer rose and stated:

"Mr. Speaker, just a point in inquiry. This is something I've always wondered about. We're talking about agreeing to the Senate's amendments, yet we refer to the bill as H.B. No. 1607, HD 2, when we are in essence really voting on SD 1."

The Chair responded, stating:

"That will occur when we make the motion to pass on Final Reading."

Representative Meyer: "Which is what I thought we were doing right now."

Speaker Say: "No. We are just agreeing, Representative Meyer, to the House Bill No., House draft. There is no reference to the Senate draft when we are moving to agree. Do you understand?"

At 7:52 o'clock p.m., Representative Meyer requested a recess and the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 7:56 o'clock p.m.

The motion was put to vote by the Chair and carried with Representatives Bukoski, Hiraki, Kahikina, and Pendleton were excused.

The Chair addressed the Clerk who announced that the record of vote forms for the aforementioned bills had been received.

H.B. No. 123, 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. 123, HD 1, on the following showing of Ayes and Noes:

Ayes, 4 (Arakaki, Hiraki, Lee and Finnegan). Noes, none. Excused, none.

Representative Saiki moved that the House agree to the amendments proposed by the Senate to H.B. No. 123, HD 1 and H.B. No. 123, HD 1, SD 1, pass Final Reading, seconded by Representative Lee.

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

"Thank you, Mr. Speaker. I am rising in opposition to this measure. While I realize that the bill says that the pharmacists will be working in collaboration with the physicians, the fact that anybody can go in to the pharmacy, Longs Drugs Store, and ask for these emergency contraceptives, any day, any time, I believe the reality of the pharmacists to really be able to communicate with the doctor is very, very limited. And there are certain situations where taking these contraceptives could create a problem. And for that reason, I think that the more prudent thing is not to pass this bill. Thank you."

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

The Chair then stated:

"Representative Stonebraker, did you submit your pink slip to the Minority Floor Leader? Representative Meyer, there is a no vote for Representative Stonebraker on this particular H.B. No. 123, HD 1, SD 1."

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

Representative Lee's written remarks are as follows:

"Mr. Speaker, I speak in support of this measure.

"Emergency contraception is a combination of birth control pills that can prevent pregnancy if taken within 72 hours of unprotected sex. This can happen in a range of situations such as when a condom breaks, a diaphragm slips, a woman forgets to take her birth control pills or she has been sexually assaulted.

"Emergency contraception has been available for 25 years and is so safe it is available over the counter without a prescription in many industrialized countries and in California and Washington State.

"Currently, half of all pregnancies in the United States, or about 3 million a year, are unintended and are terminated. The widespread availability of emergency contraception could potentially prevent many of these unplanned and unwanted pregnancies.

"Emergency contraception consists of a combination of high dose estrogen and high dose progestin—similar to oral contraceptives. Emergency contraception can prevent pregnancy via 4 mechanisms:

- A. prevention of ovulation
- B. prevention of fertilization
- C. inhibition of transport of egg to uterus; and,
- D. prevention of implantation.

"Emergency contraception does not interrupt an established pregnancy.

"This bill sets up a mechanism for collaborative therapy—the practice of dispensing drugs directly from pharmacists. Training and a protocol for pharmacists are included in the bill.

"This would increase access to emergency contraception for women who now are unable to get it in a timely manner. Many times the need arises over a weekend when doctors' offices are closed and a woman is unable to make a physician's appointment within 72 hours to get a prescription. If a woman were to go to an emergency room, she would have to pay the standard emergency room fee of \$200.00. To add to the problem, the Emergency Room does not usually dispense this on a routine basis.

"Mr. Speaker, this bill is simple. It provides access to women of a product that is safe and effective. Women in the State of Hawaii have a right to reproductive freedom that is being compromised by a lack of accessibility. California enacted such a law two years ago, and other states are considering such legislation at this time.

"I urge the members to support."

The motion was put to vote by the Chair and carried, and H.B. No. 123, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PRACTICE OF PHARMACY," passed Final Reading by a vote of 43 ayes to 6 noes, with Representatives Jernigan, Leong, Meyer, Moses, Ontai and Stonebraker voting no, and with Representatives Kahikina and Pendleton being excused.

H.B. No. 285, HD 1, SD 2:

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. 285, HD 1, on the following showing of Ayes and Noes:

Ayes, 3 (Schatz, B. Oshiro and Herkes). Noes, none. Excused, 1 (Ontai).

Representative Saiki moved that the House agree to the amendments proposed by the Senate to H.B. No. 285 and H.B. No. 285, HD 1, SD 2, pass Final Reading, seconded by Representative Lee.

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

"Mr. Speaker, I rise in strong support of this bill. We've been trying to do this for about four years and if you read the bill, it looks like a 'no brainer'. I mean, this bill says that any rule required by statute or ordinance has to have a rational nexus to the statute or ordinance. That seems fairly simple. But what has happen in the past is that rulemakers have decided that they are policymakers and they said, "We don't care what the law says. We write the rules."

"The other important thing that this bill does is it gets rid of all those rules, that are clogging up our rule books, from statutes and ordinances, that have been repealed such as operation of livery stables; what to do in the case of bubonic plague. This is a bill that we've been trying to pass for four years. I urge your support."

The motion was put to vote by the Chair and carried, and H.B. No. 285, HD 1, SD 2, entitled: "A BILL FOR AN ACT RELATING TO ADMINISTRATIVE PROCEDURE," passed Final Reading by a vote of 49 ayes, with Representatives Kahikina and Pendleton being excused.

H.B. No. 548, HD 2, 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. 548, HD 2, on the following showing of Ayes and Noes:

Ayes, 4 (Arakaki, Hiraki, Hamakawa and Nishimoto). Noes, none. Excused, 1 (Stonebraker).

On motion by Representative Saiki, seconded by Representative Lee and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 548, HD 2 and H.B. No. 548, HD 2, SD 1, entitled: "A BILL FOR AN ACT RELATING TO ANATOMICAL GIFTS," passed Final Reading by a vote of 49 ayes, with Representatives Kahikina and Pendleton being excused.

H.B. No. 651, HD 2, 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. 651, HD 2, on the following showing of Ayes and Noes:

Ayes, 3 (Arakaki, B. Oshiro and Hamakawa). Noes, none. Excused, 1 (Thielen).

On motion by Representative Saiki, seconded by Representative Lee and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 651, HD 2 and H.B. No. 651, HD 2, SD 1, entitled: "A BILL FOR AN ACT RELATING TO INFORMED CONSENT," passed Final Reading by a vote of 49 ayes, with Representatives Kahikina and Pendleton being excused.

H.B. No. 662, H.D. 2, SD 2:

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. 662, H.D. 2, on the following showing of Ayes and Noes:

Ayes, 3 (Chang, Karamatsu and Moses). Noes, none. Excused, 1 (Tamayo).

On motion by Representative Saiki, seconded by Representative Lee and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 662, H.D. 2 and H.B. No. 662, H.D. 2, SD 2, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII SPORTS HALL OF FAME," passed Final Reading by a vote of 49 ayes, with Representatives Kahikina and Pendleton being excused.

H.B. No. 730, 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. 730, on the following showing of Ayes and Noes:

Ayes, 3 (Arakaki, Hiraki and Ching). Noes, none. Excused, 1 (Herkes).

On motion by Representative Saiki, seconded by Representative Lee and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 730, and H.B. No. 730, SD 1, entitled: "A BILL FOR AN ACT RELATING TO OCCUPATIONAL THERAPISTS," passed Final Reading by a vote of 49 ayes, with Representatives Kahikina and Pendleton being excused.

H.B. No. 731, 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. 731, HD 1, on the following showing of Ayes and Noes:

Ayes, 3 (Arakaki, Hiraki and Ching). Noes, none. Excused, 1 (Herkes).

Representative Saiki moved that the House agree to the amendments proposed by the Senate to H.B. No. 731, HD 1 and H.B. No. 731, HD 1, SD 1, pass Final Reading, seconded by Representative Lee.

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

"Thank you, Mr. Speaker. In opposition. This expands the definition of certain categories that can be covered under workers' compensation. That has the effect of increasing the cost of workers' compensation and we are already dealing with the problem in that area."

The motion was put to vote by the Chair and carried, and H.B. No. 731, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO WORKERS' COMPENSATION," passed Final Reading by a vote of 39 ayes to 10 noes, with Representatives Blundell, Ching, Finnegan, Fox, Jernigan, Leong, Marumoto, Meyer, Moses and Ontai voting no, and, with Representatives Kahikina and Pendleton being excused.

H.B. No. 857, SD 2:

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. 857, on the following showing of Ayes and Noes:

Ayes, 3 (Ito, Mindo, and M. Oshiro). Noes, none. Excused, 1 (Pendleton).

Representative Saiki moved that the House agree to the amendments proposed by the Senate to H.B. No. 857, and H.B. No. 857, SD 2, pass Final Reading, seconded by Representative Lee.

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

"Thank you, Mr. Speaker. In opposition. Mr. Speaker, I believe that this measure is really going to complicate any kind of expansion, if you will, improvements, to prisons. I can understand this if you are building a new prison or really expanding the size of a prison on to more land. But the way I read the bill, it talks about any development or expansion. And further in the bill it talks about the percentage of low, medium and high security inmates and the number of prison beds. In other words if you change the number of beds or the number of prisoners in a prison, you still have to do these lengthy notifications, EAs and EISs, whatever might be required. It is going to take a long time, the way I look at it at least. It could take up to a 120 days just to add another bed or change the type of beds that you have in prison. Thank you."

Representative B. Oshiro rose to speak in support of the measure, stating:

"I rise in strong support of this. I'd just like to correct the fact that I think we took most of that language out. This bill specifically just allows the community to have public input when an environmental assessment, and when an EIS is already going to be undertaken. So you already are going to be having this requirement for public input. But that only is directed at environmental impacts. This gives a community their voice in terms of the site selection or expansion of a correctional facility."

"And as a Representative of a district where there is potential talk of an expansion of a prison, specifically Halawa, I believe my community is entitled to have their voice heard. We already have a prison there. We already have a quarantine station. We already have quarry. And we have a freeway. So if my community wants to have their input, and it is not going to be delaying the process, because we already have an EA and EIS going through. I don't really see what the difficulty is. Thank you very much."

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

"The way I understand this bill, and I am in support, strong support, because I understand that this allows the community to decide whether they want the prison there or not. This has been a very controversial subject on my island and my district doesn't want it, thank you. We certainly want the opportunity to talk about it."

The motion was put to vote by the Chair and carried, and H.B. No. 857, SD 2, entitled: "A BILL FOR AN ACT RELATING TO CORRECTIONAL FACILITIES," passed Final Reading by a vote of 42 ayes to 7 noes, with Representatives Blundell, Fox, Jernigan, Leong, Marumoto, Meyer and Moses voting no, and, with Representatives Kahikina and Pendleton being excused.

H.B. No. 1013, HD 3, SD 2:

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. 1013, HD 3, on the following showing of Ayes and Noes:

Ayes, 4 (M. Oshiro, Hiraki, Nakasone and Marumoto). Noes, none. Excused, none.

Representative Saiki moved that the House agree to the amendments proposed by the Senate to H.B. No. 1013, HD 3 and H.B. No. 1013, HD 3, SD 2, pass Final Reading, seconded by Representative Lee.

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

"Mr. Speaker, I'd like to voice some objections on this particular measure. H.B. 1013, HD 3. It would allow the employee and the employer to decide on a physician who will determine whether there is permanent impairment under workers' comp. And this sounds eminently reasonable, but in reality I believe it will add time, delay, and costs to the proceedings.

"What has worked well thus far will now be changed. Gary Hamada of the Department of Labor and Industrial Relations, Disability Compensation Division has done a fine job running the division and continues to do so now. What we will now have is an employee's lawyer and an employer's lawyer, or insurance company's lawyer arguing who the physician will be. If there is no agreement then the Department will be able to decide.

"But what was disturbing to me was that testimony in favor of this change implied that there had been a change since the election. Since the Governor and department heads were changed. When asked point-blank of Mr. Hamada he said categorically, there had been no change in policy or procedure because of the change in Administration. Some implied politics in the DSD, I repeat it, was denied categorically. What has been here before, an administrative function will now be a litigious legal process. What was an administrative process will now be a hearing argued by lawyers. I feel strongly that we should retain the present system and not add lawyers and greater costs to the mix. Thank you."

The motion was put to vote by the Chair and carried, and H.B. No. 1013, HD 3, SD 2, entitled: "A BILL FOR AN ACT RELATING TO EXAMINATIONS FOR THE DETERMINATION OF PERMANENT IMPAIRMENT," passed Final Reading by a vote of 36 ayes to 13 noes, with Representatives Blundell, Bukoski, Ching, Finnegan, Fox, Halford, Jernigan, Leong, Marumoto, Meyer, Moses, Ontai and Thielen voting no, and, with Representatives Kahikina and Pendleton being excused.

H.B. No. 1076, 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. 1076, HD 1, on the following showing of Ayes and Noes:

Ayes, 4 (Hamakawa, B. Oshiro, Sonson and Blundell). Noes, none. Excused, none.

On motion by Representative Saiki, seconded by Representative Lee and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 1076, HD 1 and H.B. No. 1076, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO APPELLATE JURISDICTION," passed Final Reading by a vote of 49 ayes, with Representatives Kahikina and Pendleton being excused.

H.B. No. 1116, HD 1, SD 2:

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. 1116, HD 1, on the following showing of Ayes and Noes:

Ayes, 3 (Hamakawa, Shimabukuro, B and Oshiro). Noes, none. Excused, 1 (Finnegan).

On motion by Representative Saiki, seconded by Representative Lee and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 1116, HD 1 and H.B. No. 1116, HD 1, SD 2, entitled: "A BILL FOR AN ACT RELATING TO COURTS," passed Final Reading by a vote of 49 ayes, with Representatives Kahikina and Pendleton being excused.

H.B. No. 1198, HD 2, SD 2:

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. 1198, HD 2, on the following showing of Ayes and Noes:

Ayes, 3 (M. Oshiro, Hamakawa and Marumoto). Noes, none. Excused, 1 (Ito).

On motion by Representative Saiki, seconded by Representative Lee and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 1198, HD 2 and H.B. No. 1198, HD 2, SD 2, entitled: "A BILL FOR AN ACT RELATING TO CHILD LABOR," passed Final Reading by a vote of 49 ayes, with Representatives Kahikina and Pendleton being excused.

H.B. No. 1607, HD 2, 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. 1607, HD 2, on the following showing of Ayes and Noes:

Ayes, 3 (Souki, Kanoho and Caldwell). Noes, none. Excused, 1 (Blundell).

On motion by Representative Saiki, seconded by Representative Lee and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 1607, HD 2 and H.B. No. 1607, HD 2, SD 1, entitled: "A BILL FOR AN ACT RELATING TO AUTHORIZED EMERGENCY VEHICLES," passed Final Reading by a vote of 49 ayes, with Representatives Kahikina and Pendleton being excused.

The Chair directed the Clerk to note that H.B. Nos.: 123, HD 1, SD 1; 285, HD 1, SD 2; 548, HD 2, SD 1; 651, HD 2, SD 1; 662, HD 2, SD 2; 730, SD 1; 731, HD 1, SD 1; 857, SD 2; 1013, HD 3, SD 2; 1076, HD 1, SD 1; 1116, HD 1, SD 2; 1198, HD 2, SD 2; and 1607, HD 2, SD 1 had passed Final Reading at 8:11 o'clock p.m.

ANNOUNCEMENTS

Representative Thielen: "Thank you, Mr. Speaker. I would just like to say how nice you look in your natural-fiber hemp shirt, as does Representative Galen Fox and Representative Ken Hiraki. For the rest of you that have made the effort to

wear natural fibers and are wearing cotton or even silk, congratulations to you. We have a few that are in that rayon type of outfit and I hope they'll remember that fossil fuel is used to make rayon shirts. So next week, Earth Aloha Friday, I hope everyone will look into wearing much more natural clothes so we'll have 100% at that point."

Representative Caldwell: "Mr. Speaker, I'd just like to clarify that Democrats can't afford silk, so we are just cotton and hemp."

Representative Thielen: "Well maybe I will clarify for the former speaker that the Democrat I was looking at is wearing silk. I don't see any here on our side of the aisle that are wearing silk."

Representative Caldwell: "Mr. Speaker, I'd like to announce that today our esteemed Speaker Emeritus is the age of ... what, 39? And we just want to give him a round of applause."

At 8:13 o'clock p.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 8:13 o'clock p.m.

Representative Saiki: "Mr. Speaker, I have an announcement. As you know, there were several Conference Committees which did not complete their deliberations by the 6:00 p.m. deadline this evening. Several of them have requested extensions, and I wanted to inform the Members of the bills that have been granted extensions as of this time. I want to emphasize that this list may be subject to change. But these are the bills that we have as of this time:

H.B. 281, H.B. 289, H.B. 638, H.B. 1294, H.B. 1362, H.B. 1400, H.B. 1509, H.B. 1613, S.B. 209, S.B. 377, S.B. 426, S.B. 574, S.B. 768, S.B. 789, S.B. 1034, S.B. 1393, S.B. 1438, S.B. 1439, S.B. 1442, and S.B. 1445.

"Again, this list is subject to change. And also as a reminder, all of the Conference Committees will reconvene at 8:30 in room 309. Thank you."

Speaker Say: "Members at this time, the Chair would like to request that after adjournment, all Members remain in the State Capitol and be available for approved Conference Committee meetings and signing of Conference Committee Reports. Proceedings will take place once again, in room 309 and announcements will be made over the public address system as needed, to call Members to the Conference."

Representative Lee moved to keep the Journal open until 12:00 o'clock midnight this legislative day for the purpose of receiving Conference Committee Reports, seconded by Representative Meyer and carried. (Representatives Kahikina and Pendleton were excused.)

At 8:16 o'clock p.m., on motion by Representative Lee, seconded by Representative Meyer and carried, the House of Representatives stood in recess until 10:00 a.m., Tuesday, April 29, 2003. (Representatives Kahikina and Pendleton were excused.)

REPORTS OF CONFERENCE COMMITTEE

In accordance with the motion made earlier, the following Conference Committee Reports (Conf. Com. Rep. Nos. 27

through 50 and 81 through 144) were received in the Clerk's Office prior to 12:00 o'clock midnight this legislative day and the following action taken.

Conf. Com. Rep. No. 27 and H.B. No. 320, HD 2, SD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO RISK MANAGEMENT," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 28 and H.B. No. 968, HD 1, SD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO UNEMPLOYMENT BENEFITS," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 29 and H.B. No. 1303, SD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE OFFICE OF HAWAIIAN AFFAIRS," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 30 and H.B. No. 282, HD 2, SD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE AUDITOR," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 31 and H.B. No. 297, HD 2, SD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO DRUGS," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 32 and H.B. No. 1003, HD 1, SD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO CRIME VICTIM COMPENSATION," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 33 and H.B. No. 1111, HD 2, SD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR CLAIMS AGAINST THE STATE, ITS OFFICERS, OR ITS EMPLOYEES," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 34 and H.B. No. 1255, SD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE OFFICE OF ELECTIONS," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 35 and H.B. No. 1361, HD 2, SD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE MEDICAID PRESCRIPTION DRUG EXPANSION PROGRAM," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 36 and H.B. No. 293, HD 1, SD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE FARMERS' MARKET," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 37 and H.B. No. 1579, HD 1, SD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ECONOMIC DIVERSIFICATION AUTHORITY," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 38 and H.B. No. 317, HD 2, SD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 39 and H.B. No. 1509, HD 2, SD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO HISTORIC PRESERVATION," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 40 and H.B. No. 1613, HD 2, SD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO NORTH KOHALA," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 41 and H.B. No. 507, HD 3, SD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO EMERGENCY MEDICAL TECHNICIANS," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 42 and H.B. No. 914, HD 2, SD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO ADULT RESIDENTIAL CARE HOMES," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 43 and H.B. No. 32, HD 2, SD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 44 and H.B. No. 130, HD 1, SD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO PENSION AND RETIREMENT SYSTEMS," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 45 and H.B. No. 290, HD 2, SD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO UNEMPLOYMENT," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 46 and H.B. No. 531, SD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYEES," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 47 and H.B. No. 1362, SD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR ST. PATRICK SCHOOL," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 48 and H.B. No. 1465, HD 2, SD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO INTOXICATING LIQUOR," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 49 and H.B. No. 1164, HD 1, SD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 50 and H.B. No. 1652, SD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION TO THE MEDICAID PRESCRIPTION DRUG REBATE SPECIAL FUND," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 81 and S.B. No. 1040, SD 1, HD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO TRANSIENT ACCOMMODATIONS TAX," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 82 and S.B. No. 1505, SD 1, HD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO INVASIVE SPECIES," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 83 and S.B. No. 582, HD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE BONDS," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 84 and S.B. No. 459, SD 1, HD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO CAMPAIGN SPENDING," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 85 and S.B. No. 1134, SD 1, HD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO COURT COSTS," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 86 and S.B. No. 1135, SD 1, HD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO COURT FEES," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 87 and S.B. No. 1333, SD 1, HD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE COMPENSATION OF OFFICIALS IN THE JUDICIAL BRANCH OF STATE GOVERNMENT," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 88 and S.B. No. 1462, HD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII TOURISM AUTHORITY," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 89 and S.B. No. 44, SD 2, HD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO TRANSPORTATION," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 90 and S.B. No. 464, SD 2, HD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO IMPLEMENTATION OF A FIXED RAIL TRANSIT SYSTEM," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 91 and S.B. No. 528, SD 2, HD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE TRANSFER OF COUNTY LANDS AND IMPROVEMENTS," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 92 and S.B. No. 1262, SD 1, HD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO PROCUREMENT," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 93 and S.B. No. 254, SD 2, HD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 94 and S.B. No. 534, SD 2, HD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 95 and S.B. No. 1258, SD 1, HD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE AGRIBUSINESS DEVELOPMENT CORPORATION," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 96 and S.B. No. 1403, HD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO DEPARTMENT OF TRANSPORTATION'S MARITIME-RELATED USES," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 97 and S.B. No. 1496, HD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 98 and S.B. No. 1440, HD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO COLLECTIVE BARGAINING COST ITEMS," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 99 and S.B. No. 1441, HD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 100 and S.B. No. 1332, SD 2, HD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE COMPENSATION OF OFFICIALS IN THE EXECUTIVE BRANCH OF STATE GOVERNMENT," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 101 and S.B. No. 540, SD 1, HD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR AGRICULTURAL RESEARCH AND DEVELOPMENT," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 102 and S.B. No. 317, SD 2, HD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE FIFTIETH ANNIVERSARY COMMEMORATION OF THE KOREAN WAR COMMISSION," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 103 and S.B. No. 1050, SD 2, HD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO VETERANS RIGHTS AND BENEFITS," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 104 and S.B. No. 614, SD 1, HD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH INSURANCE," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 105 and S.B. No. 855, SD 1, HD 3, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO ENERGY," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 106 and S.B. No. 1286, SD 1, HD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 107 and S.B. No. 1647, SD 2, HD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO SERVICES FOR INDIVIDUALS WHO ARE BLIND OR VISUALLY IMPAIRED," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 108 and S.B. No. 585, SD 1, HD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE FUNDS," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 109 and S.B. No. 745, SD 2, HD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO EMERGENCY MEDICAL SERVICES," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 110 and S.B. No. 748, SD 2, HD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO NURSING EDUCATION," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 111 and S.B. No. 1088, SD 2, HD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO LONG-TERM CARE," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 112 and S.B. No. 1279, SD 2, HD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO TOBACCO," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 113 and S.B. No. 1321, HD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO MENTAL HEALTH," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 114 and S.B. No. 1446, SD 2, HD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO TECHNOLOGY," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 115 and S.B. No. 1034, SD 1, HD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURAL LANDS," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 116 and S.B. No. 574, SD 1, HD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO CAPTIVE INSURANCE," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 117 and S.B. No. 1661, SD 2, HD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 118 and S.B. No. 377, SD 1, HD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 119 and S.B. No. 1305, SD 1, HD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE FUNDS," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 120 and S.B. No. 576, HD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII," were

placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 121 and S.B. No. 58, SD 1, HD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO SCHOOL REPAIR AND MAINTENANCE," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 122 and S.B. No. 402, SD 2, HD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO MEDICAL EDUCATION," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 123 and S.B. No. 1237, SD 1, HD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 124 and S.B. No. 1700, SD 1, HD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHARTER SCHOOLS," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 125 and S.B. No. 17, SD 1, HD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 126 and S.B. No. 209, SD 3, HD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYMENT," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 127 and S.B. No. 789, SD 1, HD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYEE HEALTH BENEFITS," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 128 and S.B. No. 1393, SD 2, HD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE EXECUTIVE DEPARTMENTS OF STATE GOVERNMENT," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 129 and S.B. No. 1438, HD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 130 and S.B. No. 1439, HD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR SALARY INCREASES FOR PUBLIC EMPLOYEES," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 131 and S.B. No. 1442, HD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 132 and H.B. No. 1456, HD 1, SD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE DEPOSIT BEVERAGE CONTAINER PROGRAM," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 133 and H.B. No. 512, HD 1, SD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT

RELATING TO HEALTH," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 134 and H.B. No. 1412, HD 2, SD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO PROFESSIONAL COUNSELORS," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 135 and H.B. No. 281, HD 1, SD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE EDUCATIONAL FACILITIES REPAIR AND MAINTENANCE," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 136 and H.B. No. 638, HD 1, SD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII STATE PUBLIC LIBRARY SYSTEM," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 137 and H.B. No. 289, HD 2, SD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 138 and H.B. No. 1175, HD 2, SD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF EDUCATION," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 139 and H.B. No. 640, HD 1, SD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE LOSS MITIGATION GRANT PROGRAM," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 140 and H.B. No. 1152, HD 1, SD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE FUNDS," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 141 and H.B. No. 1400, HD 1, SD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO HOTEL CONSTRUCTION AND REMODELING TAX CREDIT," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 142 and H.B. No. 200, HD 1, SD 1, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE BUDGET," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 143 and H.B. No. 808, HD 1, SD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE JUDICIARY," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

Conf. Com. Rep. No. 144 and H.B. No. 1300, HD 2, SD 2, as amended in CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE BUDGET OF THE OFFICE OF HAWAIIAN AFFAIRS," were placed on the Calendar for Final Reading on Tuesday, April 29, 2003.

HOUSE COMMUNICATIONS

House Communication dated April 25, 2003, from Patricia Mau Shimizu, Chief Clerk of the House of Representatives to the Honorable President and Members of the Senate of the State of Hawaii, informing the Senate that the House has

reconsidered its action taken in disagreeing to the amendments made by the Senate on March 28, 2003 to the following bill:

H.B. 401, HD 1, SD 1

House Communication dated April 25, 2003, from Patricia Mau Shimizu, Chief Clerk of the House of Representatives to the Honorable President and Members of the Senate of the State of Hawaii, informing the Senate that the House has reconsidered its action taken in disagreeing to the amendments made by the Senate on April 4, 2003 to the following bill:

H.B. 1161, HD 1, SD 1

House Communication dated April 25, 2003, from Patricia Mau Shimizu, Chief Clerk of the House of Representatives to the Honorable President and Members of the Senate of the State of Hawaii, informing the Senate that the House has reconsidered its action taken in disagreeing to the amendments made by the Senate on April 10, 2003 to the following bills:

H.B. Nos.: 75, HD 2, SD 1; 127, HD 1, SD 1; 139 HD 1, SD 1; 377, HD 1, SD 1; 384 HD 1, SD 1; 1155, HD 1, SD 1; 1160, HD 1, SD 1; 1163, SD 1; 1212, HD 1, SD 1; 1328, HD 1, SD 1; and 1594, HD 1, SD 1.

House Communication dated April 25, 2003, from Patricia Mau Shimizu, Chief Clerk of the House of Representatives to the Honorable President and Members of the Senate of the State of Hawaii, informing the Senate that the House has agreed to the amendments made by the Senate on March 27, 2003, and has this day passed on Final Reading the following bills:

H.B. No. 1076, HD 1, SD 1
H.B. No. 1607, HD 2, SD 1

House Communication dated April 25, 2003, from Patricia Mau Shimizu, Chief Clerk of the House of Representatives to the Honorable President and Members of the Senate of the State of Hawaii, informing the Senate that the House has agreed to the amendments made by the Senate on April 3, 2003 and has this day passed on Final Reading the following bills:

H.B. 285, HD 1, SD 2
H.B. 651, HD 2, SD 1
H.B. 731, HD 1, SD 1
H.B. 1198, HD 2, SD 2

House Communication dated April 25, 2003, from Patricia Mau Shimizu, Chief Clerk of the House of Representatives to the Honorable President and Members of the Senate of the State of Hawaii, informing the Senate that the following bills have this day passed Final Reading in the House.

H.B. 192, HD 1, SD 1, CD 1 S.B. 933, SD 1, HD 1, CD 1
S.B. 295, SD 1, HD 1, CD 1 S.B. 1267, HD 2, CD 1
S.B. 1200, SD 1, HD 1, CD 1 S.B. 1274, SD 1, HD 1, CD 1
S.B. 1630, HD 1, CD 1 S.B. 1460, SD 1, HD 2, CD 1

House Communication dated April 25, 2003, from Patricia Mau Shimizu, Chief Clerk of the House of Representatives to the Honorable President and Members of the Senate of the State of Hawaii, informing the Senate that the House has agreed to the amendments made by the Senate on April 8, 2003 and has this day passed on Final Reading the following bills:

H.B. 123, HD 1, SD 1	H.B. 857, SD 2
H.B. 548, HD 2, SD 1	H.B. 1013, HD 3, SD 2
H.B. 662, HD 2, SD 2	H.B. 1116, HD 1, SD 2
H.B. 730, SD 1	

Legislative Communication from President Robert Bunda and Speaker Calvin K.Y. Say, dated April 25, 2003, regarding the Extension of Conference Committee Deadlines.

"TO: All Members of the State Legislature

SUBJECT: Extension of Conference Committee Deadlines.

We hereby amend the Joint 2003 Legislative Calendar as follows:

The final decking deadline notwithstanding, committees on conference shall be allowed only between the hours of 9:00 a.m. and noon on Saturday, April 26, 2003, in Room 309 of the State Capitol. No committee on conference shall be allowed after noon April 26, 2003.

All signed committee reports shall be submitted to the respective Clerks by noon, Monday, April 28, 2003.

All other deadlines on the Joint Legislative Calendar shall remain in effect.

c House Chief Clerk
Senate Chief Clerk
House Sergeant-at-Arms
Senate Sergeant-at-Arms

/s/ Robert Bunda
11:03 p.m.
4-25-03

/s/ Calvin K.Y. Say
11:04 p.m.
4/25/03"

ADJOURNMENT

At 12:00 o'clock midnight, the House of Representatives adjourned until 10:00 o'clock a.m. Tuesday, April 29, 2003.

FIFTY-NINTH DAY

Tuesday, April 29, 2003

The House of Representatives of the Twenty-Second Legislature of the State of Hawaii, Regular Session of 2003, convened at 10:16 o'clock a.m., with the Speaker presiding.

The invocation was delivered by Reverend Kevin Kuniyuki of the Wahiawa Hongwanji, after which the Roll was called showing all members present.

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

SENATE COMMUNICATIONS

The following communications from the Senate (Sen. Com. Nos. 787 through 789) were received and announced by the Clerk:

Sen. Com. No. 787, dated April 25, 2003, informing the House that the Senate has reconsidered its action taken on April 2, 2003 in disagreeing to the amendments proposed by the House to the following Senate Bill and has moved to agree to the amendments. The Senate further informs the House that said Senate Bills has this day passed Final Reading.

337, "RELATING TO THE MANAGEMENT
SD 1, HD 1 OF SCHOOL FACILITIES"

Sen. Com. No. 788, dated April 25, 2003, informing the House that the Senate has reconsidered its action taken on April 10, 2003 in disagreeing to the amendments proposed by the House to the following Senate Bills and has moved to agree to the amendments. The Senate further informs the House that said Senate Bills have this day passed Final Reading.

538, "RELATING TO THE AGRIBUSINESS
SD 1, HD 1 DEVELOPMENT CORPORATION"

1281 "RELATING TO THE HIGH
SD 1, HD 1 TECHNOLOGY DEVELOPMENT
CORPORATION"

1594 "RELATING TO THE COMMISSION
HD 1 ON WATER RESOURCE
MANAGEMENT"

1077 "RELATING TO CONTINUING
SD 1, HD 1 EDUCATION FOR INSURANCE
LICENSEES"

Sen. Com. No. 789, dated April 25, 2003, informing the House that the following bills have this day passed Final Reading.

H.B. 192, "RELATING TO ACCRETED LANDS"
HD 1, SD 1,
CD 1

S.B. 295, "RELATING TO MOTOR VEHICLE
SD 1, HD 1 TOWING"
CD 1

S.B. 1200, "RELATING TO CAPTIVE
SD 1, HD 1 INSURANCE"
CD 1

S.B. 1630, "RELATING TO NONPROFIT
HD 1, CD 1 CORPORATIONS"

S.B. 933, "RELATING TO STALKING"
SD 1, HD 1,
CD 1

S.B. 1267, "RELATING TO TOBACCO"
HD 2, CD 1

S.B. 1274, "RELATING TO MANSLAUGHTER"
SD 1, HD 1,
CD 1

S.B. 1460, "RELATING TO CONTRACTS
SD 1, HD 2, ENTERED INTO BY THE HAWAII
CD 1 TOURISM AUTHORITY"

INTRODUCTIONS

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

Representative Bukoski, on behalf of Representatives Takumi and Takai, introduced 5th grade students from Pearl City Highlands Elementary School; their teacher, Mrs. Leatrice Higuchi; and chaperone, Ms. Ronni Shinn. They were accompanied by Representative's office manager, Mr. Keoki Leong.

Representative Bukoski also introduced his son, Pearl City Highlands 5th grader, Master Duke Bukoski.

Representative Wakai introduced his friends, Mr. Mason and Mrs. Judy Matheny, and Mr. Rex Riggelman of Oklahoma.

Representative Fox introduced former California Assemblyman Anthony Pescetti.

Representative Sonson introduced 4th, 5th, and 6th grade students from Lanakila Baptist School; their teacher, Ms. Rose Martinez and Ms. Lynn Tolentino; and chaperone, Mr. Michael Schwad. Representative Sonson also introduced his wife, Mrs. Jennifer Sonson, and his son, Master Michael Alexander Sonson.

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

The House of Representatives reconvened at 10:48 o'clock a.m.

ORDER OF THE DAY

At this time, the Chair announced:

"Members, at this time we are on the Order of the Day, Unfinished Business. The Chair will be taking certain things out of order. Please turn to page 11, Conference Committee Report No. 88, S.B. 1462, HD 2, CD 1."

SUSPENSION OF RULES

On motion by Representative Saiki, seconded by Representative Lee and carried, the rules were suspended for

the purpose of considering bills on Final Reading on the basis of a modified consent calendar.

Conf. Com. Rep. No. 88 and S.B. No. 1462, HD 2, CD 1:

Representative Chang offered Floor Amendment No. 14, amending S.B. No. 1462, HD 2, CD 1, seconded by Representative Karamatsu, as follows:

SECTION 1, Senate Bill No. 1462, HD 2, C.D. 1, is amended by amending Section 9 to read:

"SECTION 9. There is appropriated out of the tourism special fund the sum of \$8,000,000, or so much thereof as may be necessary for fiscal year 2003-2004, for purposes stated in section 8 of this Act and to improve the operational efficiency of the Hawaii tourism authority; provided that the sum appropriated shall be in addition to sums appropriated out of the tourism special fund in the general appropriations Act or any other Act.

The sum appropriated shall be expended by the Hawaii tourism authority for the purposes of this part."

Representative Chang rose to speak in support of the proposed floor amendment, stating:

"Thank you, Mr. Speaker. I rise to speak in favor of the floor amendment. Mr. Speaker, this floor amendment is an omnibus HTA bill that incorporates many different HTA issues. This floor amendment corrects an error that was inadvertently made when the Conference draft of S.B. 1462 was prepared.

"The appropriation to the HTA to respond to adverse effects of world conflicts, terrorism threats, and the outbreak of SARS, and to strengthen the programs and operations of the HTA, was inadvertently made from the general fund. It was the intention of your Committee on Tourism and Culture, and the Conference Committee on S.B. 1462, that the appropriation be made from the Tourism Special Fund.

"Further, the reference for the use of the Fund in Section 7 is in error. The proper reference is to Section 8 ..."

At 10:51 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 10:53 o'clock a.m.

At this time, the Chair stated:

"Members, we are on the Unfinished Business on page 11, Conference Committee Report No. 88, S.B. 1462, HD 2, CD 1. The Chair did recognize the offeror, who is Representative Chang, and the floor amendment which he offered has been circulated to all of you. The Chair now recognizes Representative Chang for the proper motion."

Representative Chang moved that Floor Amendment No. 14, be adopted, seconded by Representative Karamatsu.

Representative Chang continued to speak in support of the proposed floor amendment, stating:

"So I don't have to repeat myself, I will just continue from where I left off. Again Mr. Speaker, this bill makes several other amendments that are important for improving the operational efficiency of the HTA.

"This clarifies the existing law to make it clear that the HTA, under Section 201B-7, may execute its contracts and is required to give notice to you, Mr. Speaker, and the Senate President, and the Governor, only on those contracts exceeding \$25,000. This amendment will allow the HTA to streamline its contracting process that now often takes up to five months before approvals are imposed on them.

"Section 201B-11 authorizes the HTA to place its special funds in interest-bearing accounts until such time as the money may be needed. It makes clarifying amendments to provide that the deposits in the fund are in depository, provided the depositor furnishes security as required by law and make disbursements from the accounts by checks. This bill will further improve the operational efficiency of the HTA."

The Chair addressed Representative Chang, stating:

"Representative Chang, are you speaking on the measure before us or the floor amendment, which is clarifying your \$8 million?"

Representative Chang: "I am speaking on the measure."

Speaker Say: "Well, this is not the proper time for the measure because we are addressing the proposed floor amendment."

At 10:55 o'clock a.m., Representative Saiki requested a recess, and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 10:56 o'clock a.m.

The motion was put to vote by the Chair and carried, and Floor Amendment No. 14, amending S.B. No. 1462, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII TOURISM AUTHORITY," was adopted with Representatives Bukoski and Marumoto being excused.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on S.B. No. 1462, HD 2, CD 2, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII TOURISM AUTHORITY," was deferred for a period of 48 hours.

Conf. Com. Rep. No. 89 and S.B. No. 44, SD 2, HD 2, CD 1:

At this time, the Chair announced:

"Members, also on page 11, the Chair will allow Conference Committee Report No. 89, S.B. No. 44, SD 2, HD 2, CD 1."

Representative Thielen rose and stated:

"I'm sorry, Mr. Speaker. Could you please repeat what you just said? We're going to be considering that matter right now?"

At 10:57 o'clock a.m., Representative Saiki requested a recess, and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 10:58 o'clock a.m.

At this time, the Chair announced:

"At this time, the Chair would like to retract the earlier statement. Conference Report No. 89 will taken up after we address all the other floor amendments, 15, 16, 17, and then 18. Please turn to page 17 of the Order of the Day, Conference Committee Report No. 133, H.B. No. 512, HD 1, SD 2, CD 1."

Conf. Com. Rep. No. 133 and H.B. No. 512, HD 1, SD 2, CD 1:

At this time, Representative Arakaki offered Floor Amendment No. 15, amending H.B. No. 512, HD 1, SD 2, CD 1, as follows:

SECTION 1. H.B. No. 512, HD 1, SD 2, CD 1 **(RELATING TO HEALTH)**, is amended by replacing the contents of PART II with PART II of H.B. No. 512, HD 1, SD 2, to read as follows:

"PART II

SECTION 7. The legislature finds that the continued provision of mental health services is vital to the community. It is essential that providers be able to efficiently submit and collect available insurance reimbursements for such services. Insurance reimbursement claims typically require information on the patient treated. Therefore, any statutory authorization for the release of patient medical records must be limited in scope and ensure the privacy of the patient.

Accordingly, the purpose of this part is to permit mental health service providers to release records for billing purposes under limited circumstances while preserving a patient's right to confidentiality.

SECTION 8. Section 334-5, Hawaii Revised Statutes, is amended to read as follows:

§334-5 Confidentiality of records. All certificates, applications, records, and reports made for the purposes of this chapter and directly or indirectly identifying a person subject hereto shall be kept confidential and shall not be disclosed by any person except so far (1) as the person identified, or the person's legal guardian, consents, or (2) as disclosure may be deemed necessary by the director of health or by the administrator of a private psychiatric or special treatment facility to carry out this chapter, or (3) as a court may direct upon its determination that disclosure is necessary for the conduct of proceedings before it and that failure to make the disclosure would be contrary to the public interest, or (4) as disclosure may be deemed necessary under the federal Protection and Advocacy for Mentally Ill Individuals Act of 1986, Public Law 99-319, to protect and advocate the rights of persons with mental illness who reside in facilities providing treatment or care[-], or (5) as disclosure is made to the person's health care insurer to obtain reimbursement for services rendered to the person, except for records subject to Title 42 Code of Federal Regulations Part 2, confidentiality of alcohol and drug abuse patient records; provided that disclosure shall be made only if the insurer informs the person that a reimbursement claim will be made to the person's insurer, the person is afforded an opportunity to pay the reimbursement claim directly, and the person does not pay. For the purposes of this section, "facilities" shall include, but not be limited to, hospitals, nursing homes, community facilities for mentally ill individuals, boarding homes, and care homes.

Nothing in this section shall preclude disclosure, upon proper inquiry, of any information relating to a particular patient and not clearly adverse to the interests of the patient, to the patient, the patient's family, legal guardian, or relatives, nor, except as provided above, affect the application of any other rule or statute of confidentiality. The use of the information disclosed

shall be limited to the purpose for which the information was furnished."

SECTION 2. H.B. No. 512, HD 1, SD 2, CD 1 **(RELATING TO HEALTH)**, is amended by adding a new section to read as follows:

"SECTION 9. If any provision of this Act, or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the Act, which can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable."

SECTION 3. H.B. No. 512, HD 1, SD 2, CD 1 **(RELATING TO HEALTH)**, is amended by re-numbering the sections to conform to drafting convention.

Representative Arakaki moved that Floor Amendment No. 15, be adopted, seconded by Representative Nishimoto.

Representative Arakaki rose to speak in support of the proposed floor amendment, stating:

"Thank you Mr. Speaker I hope I can simplify an explanation for this floor amendment. Basically, we are replacing language that was inadvertently placed in the Conference draft from one section of the Senate Draft 2, which calls for a compliance section with HIPA or the Health Insurance Portability and Accountability Act. However, we had intended to include the language relating to the provision relating to mental health records. And so we are correcting this measure with a CD 2, with the correct language, while also retaining language which would move the Executive Office on Aging from the Governor's office to the Department of Health. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and Floor Amendment No. 15, amending H.B. No. 512, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," was adopted, with Representative Bukoski being excused.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on H.B. No. 512, HD 1, SD 2, CD 2, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," was deferred for a period of 48 hours.

Conf. Com. Rep. No. 140 and H.B. No. 1152, HD 1, SD 1, CD 1:

At this time, Representative Takamine offered Floor Amendment No. 16, amending H.B. No. 1152, HD 1, SD 1, CD 1, as follows:

SECTION 1. H.B. No. 1152, HD 1, SD 1, CD 1 **(RELATING TO STATE FUNDS)**, is amended by amending section 55 to read as follows:

"SECTION 55. The legislature determines that there is in the special land and development fund at least \$3,000,000 in excess of the requirements of the fund. On July 1, 2004, the director of finance is authorized to transfer from the special land and development fund to the general fund the sum of \$3,000,000 or so much thereof as may be necessary for fiscal year 2004-2005."

SECTION 2. H.B. No. 1152, HD 1, SD 1, CD 1 **(RELATING TO STATE FUNDS)**, is amended by amending section 66 to read as follows:

"SECTION 66. This Act shall take effect on July 1, 2003, provided that:

- (1) Sections 1, 2, 3, 4, 5, and 6 shall take effect on June 29, 2003;
- (2) Sections 9, 10, 11, 12, 13, 14, 15, and 16 shall take effect on June 30, 2003; and
- (3) Sections 7 and 8 shall take effect on July 1, 2004; provided further that any remaining balances in the Hawaii capital loan revolving fund and the Hawaii strategic development corporation revolving fund shall lapse to the general fund."

Representative Takamine moved that Floor Amendment No. 16, amending H.B. No. 1152, HD 1, SD 1, CD 1 be adopted, seconded by Representative Kawakami.

Representative Takamine rose to speak in support of the proposed floor amendment, stating:

"Mr. Speaker, basically the floor amendment provides for two, essentially, technical corrections. As indicated in the floor amendment, the first is to Section 55 of the measure. Previously the Conference draft noted the fiscal year at the very end to be FY 03-04. The amendment notes the correction.

"Secondly in Section 66 of the bill, there is another technical, I guess, correction that needed to be made in subsection 1. Sections 7 and 8 were also noted. And it was duplicated in the subpart 3 of that same subsection 65. Therefore it caused confusion because of two effective dates for Sections 7 and 8. By deleting 7 and 8 from subsection 1, the correction is made. Thank you."

Representative Thielen rose and stated:

"Thank you, Mr. Speaker. Would the Finance Chair please explain about the first section in the amendment where it talks about that there is \$3 million in the special Land and Development Fund?"

At 11:02 o'clock a.m., Representative Takamine 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.

Representative Thielen rose and stated:

"Mr. Speaker, I would just like to state for the record that the Finance Chair clarified that in the original bill that we passed, this \$3 million in the special Land and Development Fund already was authorized to be transferred to the general fund. The only thing that this measure does is change the fiscal year to 2004-2005."

The motion was put to vote by the Chair and carried, and Floor Amendment No. 16, amending H.B. No. 1152, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE FUNDS," was adopted with Representative Bukoski being excused.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on H.B. No. 1152, HD 1, SD 1, CD 2, entitled: "A BILL FOR AN ACT RELATING TO STATE FUNDS," was deferred for a period of 48 hours.

Conf. Com. Rep. No. 141 and H.B. No. 1400, HD 1, SD 2, CD 1:

At this time, Representative Chang offered Floor Amendment No. 17, amending and H.B. No. 1400, HD 1, SD 2, CD 1, as follows:

SECTION 1. H.B. No. 1400, HD 1, SD 2, CD 1 (**RELATING TO HOTEL CONSTRUCTION AND REMODELING TAX CREDIT**), is amended by deleting the contents of the bill and substituting the following:

"SECTION 1. In October of 2001, the legislature met in special session to approve legislation designed to ameliorate the negative effects that the September 11, 2001, terrorist attacks had on Hawaii's economy. Act 10, Third Special Session 2001, raised the percentage of the tax credit for construction and remodeling of hotels from four to ten per cent for costs incurred prior to July 1, 2003, to assist the tourism industry in its efforts to attract more visitors to Hawaii. The legislature finds that this tax credit is an excellent means to boost Hawaii's tourism and construction industries, and that extension of this tax credit is warranted.

SECTION 2. Section 235-110.4, Hawaii Revised Statutes, is amended to read as follows:

"§235-110.4 Hotel construction and remodeling tax credit. (a) There shall be allowed to each taxpayer subject to the taxes imposed by this chapter and chapter 237D, an income tax credit, which shall be deductible from the taxpayer's net income tax liability, if any, imposed by this chapter for the taxable year in which the credit is properly claimed.

The amount of the credit shall be ~~ten~~ eight per cent of the construction or renovation costs incurred during the taxable year for each qualified hotel facility located in Hawaii, and shall not include the construction or renovation costs for which another credit was claimed under this chapter for the taxable year; provided that the construction or renovation costs are incurred before July 1, ~~[2003-]~~ 2006.

In the case of a partnership, S corporation, estate, trust, association of apartment owners of a qualified hotel facility, time share owners association, or any developer of a time share project, the tax credit allowable is for construction or renovation costs incurred by the entity for the taxable year. The cost upon which the tax credit is computed shall be determined at the entity level. Distribution and share of credit shall be determined pursuant to section 235-110.7(a).

If a deduction is taken under section 179 (with respect to election to expense depreciable business assets) of the Internal Revenue Code, no tax credit shall be allowed for that portion of the construction or renovation cost for which the deduction is taken.

The basis of eligible property for depreciation or accelerated cost recovery system purposes for state income taxes shall be reduced by the amount of credit allowable and claimed. In the alternative, the taxpayer shall treat the amount of the credit allowable and claimed as a taxable income item for the taxable year in which it is properly recognized under the method of accounting used to compute taxable income.

(b) The credit allowed under this section shall be claimed against the net income tax liability for the taxable year.

(c) If the tax credit under this section exceeds the taxpayer's income tax liability, the excess of credit over liability may be used as a credit against the taxpayer's income tax liability in

subsequent years until exhausted. All claims for a tax credit under this section, including amended claims, shall be filed on or before the end of the twelfth month following the close of the taxable year for which the credit may be claimed. Failure to comply with the foregoing provision shall constitute a waiver of the right to claim the credit.

(d) The director of taxation shall prepare any forms that may be necessary to claim a credit under this section. The director may also require the taxpayer to furnish information to ascertain the validity of the claim for credit made under this section and may adopt rules necessary to effectuate the purposes of this section pursuant to chapter 91.

~~[(e) The tax credit allowed under this section shall be available for taxable years beginning after December 31, 1998, and shall not be available for taxable years beginning after December 31, 2005.~~

~~[(f) To qualify for the income tax credit, the taxpayer shall be in compliance with all applicable federal, state, and county statutes, rules, and regulations.~~

~~(e)~~ (e) As used in this section:

"Construction or renovation cost" means any costs incurred after December 31, 1998, for plans, design, construction, and equipment related to new construction, alterations, or modifications to a qualified hotel facility.

"Net income tax liability" means income tax liability reduced by all other credits allowed under this chapter.

"Qualified hotel facility" means [a];

(1) A hotel/hotel-condo as defined in section 486K-1 and includes a;

(2) A time share facility or project[-]; or

(3) Commercial buildings and facilities located within a qualified resort area.

"Qualified resort area" means an area designated for hotel use, resort use, or transient vacation rentals, pursuant to county authority under section 46-4, or where the county, by its legislative process, designates hotel, transient vacation rental, or resort use.

"Taxpayer" means a taxpayer under this chapter, and includes:

(1) Association of apartment owners; or

(2) Time share owners association.

~~[(f)]~~ (f) No taxpayer that claims a credit under this section shall claim a credit under chapter 235D."

SECTION 3. Section 235-110.4, Hawaii Revised Statutes, is amended to read as follows:

"§235-110.4 Hotel construction and remodeling tax credit. (a) There shall be allowed to each taxpayer subject to the taxes imposed by this chapter and chapter 237D, an income tax credit, which shall be deductible from the taxpayer's net income tax liability, if any, imposed by this chapter for the taxable year in which the credit is properly claimed.

The amount of the credit shall be ~~eight~~ four per cent of the construction or renovation costs incurred during the taxable year for each qualified hotel facility located in Hawaii and

shall not include the construction or renovation costs for which another credit was claimed under this chapter for the taxable year; provided that the construction or renovation costs are incurred before July 1, ~~[2006-] 2010.~~

In the case of a partnership, S corporation, estate, trust, association of apartment owners of a qualified hotel facility, time share owners association, or any developer of a time share project, the tax credit allowable is for construction or renovation costs incurred by the entity for the taxable year. The cost upon which the tax credit is computed shall be determined at the entity level. Distribution and share of credit shall be determined pursuant to section 235-110.7(a).

If a deduction is taken under section 179 (with respect to election to expense depreciable business assets) of the Internal Revenue Code, no tax credit shall be allowed for that portion of the construction or renovation cost for which the deduction is taken.

The basis of eligible property for depreciation or accelerated cost recovery system purposes for state income taxes shall be reduced by the amount of credit allowable and claimed. In the alternative, the taxpayer shall treat the amount of the credit allowable and claimed as a taxable income item for the taxable year in which it is properly recognized under the method of accounting used to compute taxable income.

(b) The credit allowed under this section shall be claimed against the net income tax liability for the taxable year.

(c) If the tax credit under this section exceeds the taxpayer's income tax liability, the excess of credit over liability may be used as a credit against the taxpayer's income tax liability in subsequent years until exhausted. All claims for a tax credit under this section, including amended claims, shall be filed on or before the end of the twelfth month following the close of the taxable year for which the credit may be claimed. Failure to comply with the foregoing provision shall constitute a waiver of the right to claim the credit.

(d) The director of taxation shall prepare any forms that may be necessary to claim a credit under this section. The director may also require the taxpayer to furnish information to ascertain the validity of the claim for credit made under this section and may adopt rules necessary to effectuate the purposes of this section pursuant to chapter 91.

(e) As used in this section:

"Construction or renovation cost" means any costs incurred after December 31, 1998, for plans, design, construction, and equipment related to new construction, alterations, or modifications to a qualified hotel facility.

"Net income tax liability" means income tax liability reduced by all other credits allowed under this chapter.

"Qualified hotel facility" means:

(1) A hotel/hotel-condo as defined in section 486K-1;

(2) A time share facility or project; or

(3) Commercial buildings and facilities located within a qualified resort area.

"Qualified resort area" means an area designated for hotel use, resort use, or transient vacation rentals, pursuant to county authority under section 46-4, or where the county, by its legislative process, designates hotel, transient vacation rental, or resort use.

"Taxpayer" means a taxpayer under this chapter, and includes:

- (1) Association of apartment owners; or
- (2) Time share owners association.

(f) No taxpayer that claims a credit under this section shall claim a credit under chapter 235D."

SECTION 4. Section 235-110.4, Hawaii Revised Statutes, is repealed.

~~["§235-110.4 Hotel construction and remodeling tax credit. (a) There shall be allowed to each taxpayer subject to the taxes imposed by this chapter and chapter 237D, an income tax credit, which shall be deductible from the taxpayer's net income tax liability, if any, imposed by this chapter for the taxable year in which the credit is properly claimed.~~

~~The amount of the credit shall be four per cent of the construction or renovation costs incurred during the taxable year for each qualified hotel facility located in Hawaii, and shall not include the construction or renovation costs for which another credit was claimed under this chapter for the taxable year; provided that the construction or renovation costs are incurred before July 1, 2010.~~

~~In the case of a partnership, S corporation, estate, trust, association of apartment owners of a qualified hotel facility, time share owners association, or any developer of a time share project, the tax credit allowable is for construction or renovation costs incurred by the entity for the taxable year. The cost upon which the tax credit is computed shall be determined at the entity level. Distribution and share of credit shall be determined pursuant to section 235-110.7(a).~~

~~If a deduction is taken under section 179 (with respect to election to expense depreciable business assets) of the Internal Revenue Code, no tax credit shall be allowed for that portion of the construction or renovation cost for which the deduction is taken.~~

~~The basis of eligible property for depreciation or accelerated cost recovery system purposes for state income taxes shall be reduced by the amount of credit allowable and claimed. In the alternative, the taxpayer shall treat the amount of the credit allowable and claimed as a taxable income item for the taxable year in which it is properly recognized under the method of accounting used to compute taxable income.~~

~~(b) The credit allowed under this section shall be claimed against the net income tax liability for the taxable year.~~

~~(c) If the tax credit under this section exceeds the taxpayer's income tax liability, the excess of credit over liability may be used as a credit against the taxpayer's income tax liability in subsequent years until exhausted. All claims for a tax credit under this section, including amended claims, shall be filed on or before the end of the twelfth month following the close of the taxable year for which the credit may be claimed. Failure to comply with the foregoing provision shall constitute a waiver of the right to claim the credit.~~

~~(d) The director of taxation shall prepare any forms that may be necessary to claim a credit under this section. The director may also require the taxpayer to furnish information to ascertain the validity of the claim for credit made under this section and may adopt rules necessary to effectuate the purposes of this section pursuant to chapter 91.~~

(e) As used in this section:

~~"Construction or renovation cost" means any costs incurred after December 31, 1998, for plans, design, construction, and equipment related to new construction, alterations, or modifications to a qualified hotel facility.~~

~~"Net income tax liability" means income tax liability reduced by all other credits allowed under this chapter.~~

~~"Qualified hotel facility" means:~~

- ~~(1) A hotel/hotel-condo as defined in section 486K-1;~~
- ~~(2) A time share facility or project; or~~
- ~~(3) Commercial buildings and facilities located within a qualified resort area.~~

~~"Qualified resort area" means an area designated for hotel use, resort use, or transient vacation rentals, pursuant to county authority under section 46-4, or where the county, by its legislative process, designates hotel, transient vacation rental, or resort use.~~

~~"Taxpayer" means a taxpayer under this chapter, and includes:~~

- ~~(1) Association of apartment owners; or~~
- ~~(2) Time share owners association.~~

~~(f) No taxpayer that claims a credit under this section shall claim a credit under chapter 235D."~~

SECTION 5. Act 10, Third Special Session Laws of Hawaii 2001, section 4, is amended to read as follows:

"SECTION 4. This Act shall take effect upon its approval; provided that[:

~~(1) The] the amount of the tax credit under section 235-110.4(a), Hawaii Revised Statutes, amended by section 2 of this Act shall be four per cent for any hotel construction and renovation costs incurred prior to the effective date of this Act[; and~~

~~(2) Section 2(1) and 2(2) of this Act shall be repealed on June 30, 2003, and section 235-110.4(a) and (c), Hawaii Revised Statutes, shall be reenacted in the form in which it read prior to the effective date of this Act]."~~

SECTION 6. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 7. This Act shall take effect upon its approval; provided that:

- (1) The amount of the tax credit under section 235-110.4(a), Hawaii Revised Statutes, shall be ten per cent for any hotel construction and renovation costs incurred after November 1, 2001, and prior to the effective date of this Act;
- (2) Section 3 shall take effect on July 1, 2006, and shall apply to any hotel construction and renovation costs incurred after June 30, 2006, and prior to July 1, 2010; and
- (3) Section 4 shall take effect on July 1, 2010."

Representative Chang moved that Floor Amendment No. 17, amending H.B. No. 1400, HD 1, SD 2, CD 1, be adopted, seconded by Representative Karamatsu.

Representative Chang rose to speak in support of the proposed amendment, stating:

"Thank you, Mr. Speaker. Events have occurred which we could not have foreseen that have hampered the recovery of the visitor industry, not only in Hawaii but also worldwide. It is clear that it will be awhile before tourism rebounds so we need to sustain this type of activity more than the initial 3 years as provided in H.B. 1400, HD 1, SD 2, CD 1. This floor amendment Mr. Speaker, adds an additional four years to provide companies with more time to work on the their long term strategic and financial plan to proceed with the projects.

"Also additional time is needed due to the tremendous lead-time required for planning, design, permitting, and financing before construction can begin. However in recognition of the fiscal constraints that the State is in, the three-year extension in H.B. 1400 is for 8%. While the floor draft amendment of an additional four years is at a lower percentage of 4%, it should be noted Mr. Speaker, that the SD 2, reduced the tax credit from 8% to 4% after three years with no drop-dead clause. The step down in percentage over the last four years of the extension in this floor amendment will also allow the gradual reduction of the credit. For these reasons, Mr. Speaker I urge my colleagues' support."

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

At 11:06 o'clock a.m., Representative Moses requested a recess, and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 11:10 o'clock a.m.

Representative Moses rose to speak in support of the proposed amendment with reservations, stating:

"Thank you, Mr. Speaker. I guess I am with reservations on this. Let me address my reservations. I like the underlying idea. I think it is important for the State. I am very concerned about the impact on our financial situation. In discussions I just heard from the other side of the aisle about dynamic impact, I hope that we can consider dynamic impact in the future for instance, on tax credits and tax deductions how they would impact our economy.

"If it's true that there is dynamic impact here, and we'll be getting more revenue, then I am hoping that the Finance Committee and the Ways and Means Committee have taken this into account in our budget because I am afraid that this is not in there. But again I think that overall we need hotels, we need remodeling, we need some help for the industry because that is still our primary industry, tourism. Thank you."

At this time, the Chair stated:

"At this time, the Chair will recommend that we have a roll call on this particular floor amendment. Members of the House, please realize that the proposed floor amendment will be sitting on your desk for 48 hours to be taken up on Thursday, if this amendment passes. So you will have an opportunity once more to address this particular H.B. 1400 with the proposed floor amendment."

At this time, the Chair called for a roll call vote, and by unanimous consent was approved.

Roll call having been approved, the motion that Floor Amendment No. 17, amending H.B. No. 1400, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HOTEL CONSTRUCTION AND REMODELING TAX CREDIT," was put to vote by the Chair and carried on the following show of Ayes and Noes:

Ayes, 49: Representatives Abinsay, Arakaki, Blundell, Caldwell, Chang, Ching, Evans, Finnegan, Fox, Hale, Halford, Hamakawa, Herkes, Hiraki, Ito, Jernigan, Kahikina, Kaho'ohalahala, Kanoho, Karamatsu, Kawakami, Lee, Leong, Luke, Magaoay, Marumoto, Meyer, Mindo, Morita, Moses, Nakasone, Nishimoto, Ontai, B. Oshiro, M. Oshiro, Pendleton, Saiki, Say, Schatz, Shimabukuro, Sonson, Souki, Takai, Takamine, Takumi, Tamayo, Thielen, Wakai and Waters.

No, 1: Representative Stonebraker.

Excused, 1: Representative Bukoski.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on H.B. No. 1400, HD 1, SD 2, CD 2, entitled: "A BILL FOR AN ACT RELATING TO HOTEL CONSTRUCTION AND REMODELING TAX CREDIT," was deferred for a period of 48 hours.

Conf. Com. Rep. No. 89 and S.B. No. 44, SD 2, HD 2, CD 1:

At this time, Representative Fox offered Floor Amendment No. 18, amending S.B. No. 44, SD 2, HD 2, CD 1, as follows:

SECTION 1. The language in Senate Bill No. 44, Senate Draft 2, House Draft 2, Conference Draft 1, is deleted and replaced with the following language to read as follows:

"SECTION 1. The September 11, 2001, terrorist attacks on the United States have severely impacted Hawaii's economy. Business experience catastrophic revenue losses as a result of decreases in the number of visitors to Hawaii. The nation has been engaged in a war against terrorism on a global scale, including the conflict with Iraq. The war on terrorism is expected to continue for some time. With the increased risk of further terrorist attacks around the world, the economic welfare of the State is further threatened.

Airport concessions depend in large part on passengers and visitors traveling through Hawaii's airports. Precipitous declines in the number of visitors to Hawaii can have immediate and drastic impact on these airport concessions. The purpose of this Act is to confer upon the governor certain powers to provide immediate relief to airport concessionaires during a period of economic emergency.

SECTION 2. Notwithstanding any law to the contrary, the governor may, in the event of an economic emergency, grant rent relief to some or all airport concession lessees in amounts and upon such terms and conditions as determined by the governor, in the governor's sole discretion. As part of the authority granted to the governor hereunder, the governor may, or may permit the department of transportation to: (1) negotiate changes to the airport concession leases with the lessees and modify the airport concession leases to implement the grant of relief and (2) waive, suspend, or defer any contract obligation owed to the State during the economic emergency period, upon such terms and conditions as the governor shall deem necessary to minimize losses that are attributable to the economic emergency.

SECTION 3. If deemed necessary by the governor to implement the grant of rent relief in section 2, the governor may suspend the effect of section 171-13 as it applies to airport concession leases that are terminated during the economic emergency period.

SECTION 4. An economic emergency is an event that satisfies the following conditions:

(1) the airport concession lessees at a state airport, collectively suffer a fifteen per cent reduction in gross receipts for a period of sixty (60) days or more, computed on their collective average monthly gross receipts for the eighteen (18) months just prior to the date from which the initial request for relief is received from an airport concession lessee or lessees at the state airport; and

(2) either of the following two conditions:

(a) the occurrence of an event that is sudden, extraordinary, and generates relatively immediate severe adverse economic impacts for the State of Hawaii such as a natural disaster, civil defense emergency (as determined by the governor pursuant to chapter 128, HRS), or acts of terrorism similar to the events of September 11, 2001; or

(b) the governor finds that from and after the date the initial airport concession lessee or lessees at a state airport request relief, there has been a significant decrease in airline passenger departures (hereinafter "enplanements") from the state airport of twenty per cent or more for a period of sixty days or more, computed on that state airport's average monthly enplanements for the eighteen (18) months just prior to the date from which initial request for relief is received from an airport concession lessee or lessees at the state airport.

SECTION 5. The period of economic emergency shall remain in effect for only so long as the governor determines, in the governor's sole discretion, to be appropriate to grant the necessary rent relief to some or all of the airport concession leases.

SECTION 6. This Act shall take effect upon its approval."

Representative Fox moved that Floor Amendment No. 18, amending S.B. No. 44, SD 2, HD 2, CD 1, be adopted, seconded by Representative Meyer.

Representative Fox rose to speak in support of the proposed floor amendment, stating:

"Thank you, Mr. Speaker. This amendment is in wording suggested by the Attorney General and it's done for this specific purpose of trying to move forward the negotiations with those who have been adversely affected at the airport by the way of flying. The patterns of passengers have changed in the aftermath of 9/11.

"To understand this amendment, it is important to separate the parties that we are looking at into two categories. One is DFS, which is the 800-pound gorilla of airport concessions. And the other is all the smaller concessionaires. Now the bill, should it move forward, offers relief to all the concessionaires and the relief is mandated by the bill so it doesn't set up any provision for negotiations or a exchange of views between the State and the concessionaires. This is the bill the

concessionaires want. If we pass this bill, the concessionaires will get the relief they're seeking.

"The purpose of the amendment is to put more balance into the situation to create a situation where there is actual negotiation between the State and the concessionaires to arrive at a proper figure of relief. Nobody's questioning the need for relief. This just sets up the opportunity to negotiate out that relief. If the bill passes and is vetoed, and the veto is sustained, we will be in a bad position because unless we change the law, we can't move ahead with the kind of relief that we need.

"Okay, so I explained that there are two categories of concessionaires here. One is the Duty Free (DFS) and the other is the smaller concessionaires. Now if this bill passes, the State will be in a position to negotiate with DFS. If nothing passes, the State will be in a very difficult position because the current situation in which one contract goes to both the airport concessionaire and the Waikiki concessionaire, and it is a combined contract, there is really no competition. There is a monopoly. DFS is the only company in position to negotiate. So the State is really strapped unless the bill passes with an amendment to allow serious negotiations to take place.

"On the other hand, if we look at the smaller concessionaires, this is the situation with the smaller concessionaires. If the veto is sustained, or if the bill for some reason doesn't pass and we don't amend the bill, the State will not be in a position to negotiate with the smaller concessionaires and that will be very unfortunate because they definitely need relief.

"They are in a handicap position if the State starts over because there is competition in their situation. Contracts may go to other people. The small concessionaires may lose out completely. So if we pass this bill allowing under the current contract's renegotiated rates of relief, it will be possible to work out equitable situations with the small concessionaires that correspond to what they are seeking in the bill, and at the same time, the State will have a more even situation with Duty Free. So that is why the Attorney General wrote to you, wrote the Senate President and wrote the respective Republican leaders, asking for this amendment to go forward. And that is why I recommend that this Body supply the administration the tools it needs to enter fair negotiations with DFS. Thank you."

Representative Souki rose to speak in opposition to the proposed floor amendment, stating:

"Mr. Speaker and good Members of the House, I wish to speak very strongly against this amendment. This amendment, however good the intentions are of the Attorney General and of the Governor, is an amendment that provides the sole discretion to the Governor to negotiate. Every item in there is a 'may'. The Governor 'may' or 'may not'. And in the end it states very clearly, in Section 5 ..."

Representative Thielen rose and stated:

"Mr. Speaker, excuse me. Is he talking about the amendment? Or the underlying bill?"

Representative Souki responded, stating:

"Yes I am speaking about the amendment in Section 5."

The Chair responded, stating:

"Representative Thielen, he is addressing the amendment, which is reflected in the floor amendment."

Representative Souki continued, stating:

"If she would take the time to read the amendment, she would know that I am speaking on the amendment, Mr. Speaker. And again, in Section 5 of the amendment it states very clearly in there, that it is at the Governor's sole discretion as to whether they will negotiate or not.

"Let me give you some historic background on this. I think it is needed to understand the amendment. The concessionaires first of all, don't want this amendment. It has been shown to the concessionaires, and they have the option to go with it or not, and they chose not to go with it, because it is not a fair amendment. Whenever you negotiate Members, you try to negotiate on an even plane. Certainly, you seek some leverage. But this amendment provides the entire leverage to the Governor. The concessionaires, Duty Free and the rest come in with nothing. The Governor can just refuse to negotiate and not negotiate at all. It is the sole discretion of the Governor.

"Now, the concessionaires have been attempting to negotiate with the Administration this past few months. They have refused to sit down and negotiate with the concessionaires. Now Mr. Speaker and Members, we have I think, a very good bill that we will be hearing some time down the line, that provides something fair. And there is a lot of 'may's in there, with the Governor's full discretion.

"Then the Attorney General and the Governor came up with the idea that the bill is not good and they have a bill that is going to resolve it. It will not resolve it because the concessionaires will have to come on their knees to the Administration. They have no leverage at all. The bill, before you begin to understand the concessionaire bill, you need to understand that the bill that is going to be debated does include language where the concessionaires can ...

"Mr. Speaker, I'm glad that the button was not pushed over there.

"Anyway Mr. Speaker and Members, the difference of these two bills is that the amendment provides for no leverage for the concessionaires. It puts the entire leverage with the Governor's office, again at the sole discretion. And that is not the way to negotiate, Mr. Speaker. You know that. You have been a good negotiator all these years. You try to negotiate on an even plane. Thank you very much, Members."

Representative Thielen rose to speak in support of the proposed floor amendment:

"Thank you, Mr. Speaker. I rise to speak in support of the amendment, Mr. Speaker. Mr. Speaker, I don't believe that every Member in the House of Representatives received a copy of this very compelling letter from the State Attorney General. And if Members didn't receive it, I would hope that we would be able to take a recess before we vote on this floor amendment to enable the Members to read it. Our Caucus made copies of the Minority Leader's copy of the letter. We all have had a chance to review it.

"Mr. Speaker, let me just explain what Attorney General Mark Bennett says. He respectfully suggests that a floor amendment to substitute for the proposed amendment that is before us, is a win-win for all parties. He states, "Nothing is mandated and the State is not placed behind the 8-ball in negotiations. Second, the State will not be required to agree to multimillion dollar relief with the alternative of being forced into court and likely losing the ability to utilize the concessionaires' bonds. Third, revisions of contracts would be allowed and essentially everything will be on the table in negotiations. Fourth, no party, neither the State nor the concessionaires would have any excuse for not participating in good faith negotiations that ought to lead to agreement." And

finally, he states, "The legislature would have achieved a legislative solution to a very vexing problem."

Mr. Speaker, the other pages of his letter, in the event that this amendment fails, I will read the other pages of his letter. But they refer to the underlying bill not to the amendment."

The Chair addressed Representative Thielen, stating:

"Yes, can we take that up on Thursday? The comments of the Attorney General, because we are not addressing the underlying bill at this point."

Representative Thielen continued, stating:

"I would just like to urge the leadership of the House of Representatives to share with your Democrat colleagues, the seriousness of this issue and to share with them Attorney General Bennett's bill. Attorney General Bennett, first of all, obviously would like the floor amendment to pass in both Chambers. In the event it does not, he urges not to pass the underlying bill. Mr. Speaker, and now I am going back to the floor amendment.

Mr. Speaker, the floor amendment is extremely necessary because we are heading otherwise for a very unfortunate situation. It is difficult Mr. Speaker, as you know, I am going to try to reference only the floor amendment. But the seriousness of this situation is so severe that I would ask every Member to really look at this.

"In the event our floor amendment fails and the underlying bill passes, and that bill has to be vetoed, we are left in a situation, which leaves this State with almost no discretion with regard to negotiating with the smaller concessionaires except essentially the State would have to insist on full rent.

The Chair again addressed Representative Thielen, stating:

"Representative Thielen, can you address the floor amendment, which is basically a permissive legislation from 'shall' to 'may'."

Representative Thielen continued:

"Thank you. The floor amendment will give this State the leeway to be able to negotiate with the small concessionaires, and the small concessionaires under the floor amendment would not be liable for damages and would likely be liable to bid on a new lease.

"The situation is very different for the French connection, Duty Free Shoppers, which is why I guess Duty Free Shoppers paid a partial payment on what it owes the State. It made a partial payment of \$25 million, but with this bill, the State has the ability to come to the table, and be fair to the small concessionaires. Otherwise this whole thing is being railroaded through by the French connection using the small concessionaires in an very unfortunate way, Mr. Speaker."

Representative Caldwell rose to a point of order, stating:

"Mr. Speaker, point of order. Are we talking about an amendment or some movie? I keep hearing this French connection thing."

The Chair responded, stating: She is talking about the owners of DFS, Representative Caldwell."

Representative Caldwell: "I don't think they are a French connection."

Speaker Say: "Representative Thielen, will you summarize your speech at this point?"

Representative Thielen continued, stating:

"Members have got to step back from this and take a look at what are the different scenarios that would happen unless we pass this floor amendment. It is going to be much more severe for the small concessionaires. Duty Free Shoppers will be fine; they covered their *okole*, Mr. Speaker. They are okay.

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

Representative Thielen continued, stating:

"Thank you, Representative Leong. But the small concessionaires will not be okay Mr. Speaker, unless we pass this floor amendment. It really is of such a serious nature that unless you are just a Duty Free Shopper *affecianado*, then you're going to want to say, "Wait a minute. We have a responsibility to these small concessionaires as well. How can we best help them?" The big is taking care of himself, that is my reference to the *French Connection*. I better go back to see that movie.

"Anyway Mr. Speaker, I really would request that we don't take action until we call a recess and you are able to share with your Members the actual language in the Attorney General's letter. Its very well written it is very explanatory and it shows us that this is the amendment, as proposed by the Attorney General, that this is the amendment that we should and must pass. Otherwise we are looking at a very disastrous situation for all those small concessionaires that have been trying so valiantly to have some way to come to the table and work out agreement with the State and have it be an acceptable package. Again if you are just a Duty Free *affecianado*, then you would want to defeat the amendment, and I'd like to ask at the appropriate time for a roll call vote please. Thank you."

Representative Sonson rose to speak in opposition to the proposed amendment, stating:

"Thank you, Mr. Speaker. I am speaking in opposition to the amendment. I did have an opportunity to read the Attorney General's letter and I believe he is doing a good job for the State. I mean, that is his job. He is an attorney of course. All attorneys will tend to cite all evidence or facts that are good for their clients, and the client in this case is the State, or you might even say it may be the Governor in this particular case.

"The Minority Leader said something that was very, very good. He said that we must strike a balance. Again I support that. I mean we should all maintain a balance in everything that we do, including passing laws. This particular law deals with the ability to negotiate between two parties. However, I cannot support the amendment because not only does Section 5 of this amendment that has been offered, as already mentioned by Speaker Emeritus, it also goes all the way back to Sections 2 and 3, this entire bill actually, gives one side of the party, the State in this case, all the power to negotiate. If you do that, in my experience, it makes it a lot easier for the Attorney General or the State to do their job. I mean, it is great to have everything on your side. It doesn't mean that you are giving up the right of the State to present a balanced rule a balanced law in order to be fair to both sides. That is what the underlying bill will do. Give a fair chance to all sides.

"In other words, I will read Section 2: "Notwithstanding any law to the contrary, the Governor may in the event of an emergency grant rent relief." The sole person that is going to

decide this is the person who has the power, and this gives the Governor the ultimate power.

"Section 3, "If deemed necessary by the Governor to implement the grant of rent relief in Section 2." Again, if deemed necessary by the Governor. That gives ultimate power to one side.

"In Section 5, in defining what is an emergency situation, and the length of that emergency situation is also under the government's sole determination and the Governor's sole discretion.

"This amendment must be defeated it is not fair. We must strike balance and again, I agree only on that particular portion of the Minority argument that we must strike a balance. But this is not the way to do it. Thank you."

At 11:32 o'clock a.m., Representative Fox requested a recess, and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 11:35 o'clock a.m.

Representative Thielen rose and stated:

"Mr. Speaker, just before, I hope we take a recess so your Caucus can discuss this."

The Chair responded, stating:

"Representative Thielen, I believe the Majority Caucus had a caucus yesterday for four and a half hours on all measures that are before us. And for this particular Attorney General's opinion, I believe Representative Souki did share it with the Members of the Majority Caucus."

Representative Thielen: "Thank you, Mr. Speaker. We doubled your time. We met for eight hours. Let me just share then for the Members ..."

Speaker Say: "Representative Thielen, this is your second point."

Representative Thielen: "Yes it is."

Representative Lee rose to a point of order, stating:

"The speaker is out of order. You really made your decision on this and I think we should go on."

The Chair responded, stating:

"I will let the speaker go on with her second point on her second time up."

Representative Thielen: "Mr. Speaker, UBS Payne Webber has given very good reasons why we need this amendment and that is in the attachment to letter from the Attorney General."

Speaker Say: "Representative Thielen, the main motion is not before the House."

Representative Thielen: "I said that, I've said they've given very good reasons why we need this amendment and that is in the attachment to the Attorney General's letter. UBS Payne Webber is concerned that we are going to jeopardize the Airports Division's A category bond ratings without this amendment. The amendment will take care of that problem, Mr. Speaker. And that is a very serious concern.

"The other concern is that we have received information attached, again attached to the Attorney General's letter that unless we pass this amendment we would be in conflict with federal law. This probably Mr. Speaker, is one of the most serious legal issues before us this Session in these closing days. How we make this decision actually is going to seriously impact those concessionaires, the small ones. Duty Free will not be at jeopardy. Unless, as the Attorney General states, really unless the amendment passes, it leaves the State with almost no discretion with regard to negotiating with the smaller concessionaires, except essentially to insist on full rent or to terminate leases in circumstances where the concessionaires would likely be liable for damages and would not likely be able to bid on new leases.

"The situation is different with regard to Duty Free Shoppers, which as the Attorney General states, is why he believes Duty Free Shoppers paid the State \$25 million and agreed to negotiate a possible withdrawal and re-bid. So what Members do here can, unless we pass this floor amendment, Members can jeopardize the Department of Transportation, Airport's A bond rating, and we can also conflict with federal law. Both of these things will leave the Governor, I believe, with no option but to veto the bill, the underlying bill, and then the concessionaires are severely harmed. Thank you."

Representative Marumoto rose to speak in support of the proposed amendment, stating:

"Thank you, Mr. Speaker. I'd like to speak in favor of the amendment. I feel very strongly that it is very important to all of us, and I hope that we have all read the Attorney General's letter to the leaders of this Legislature. Of course the Airport Fund is important to the entire State and especially to our tourism industry and to our Neighbor Island economies, and the Neighbor Island airports. Even their continued existence, some of them, are threatened. It is very important to the airlines that fly here. They will be watching this legislation very carefully. We must not tie the hands of the Administration to negotiate future rent relief and viable contracts.

"The bill before us, without the amendment, is designed to help the airport concessionaires ..."

The Chair addressed Representative Marumoto, stating:

"Representative Marumoto, are you talking about the proposed floor amendment or the underlying bill? You are supposed to be talking about the floor amendment, which is basically from 'shall' to 'may' as far as making it permissible for the Administration. So please address your comments to Floor Amendment No. 18."

At 11:40 o'clock a.m., Representative Bukoski requested a recess, and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 11:43 o'clock a.m.

At this time, the Chair stated:

"Representative Marumoto, please proceed in making your correlation to the proposed floor amendment."

Representative Marumoto continued, stating:

"Thank you, Mr. Speaker. This is very important in that we must not ... Excuse me. I lost my train of thought. We must not tie the hands of the Administration in negotiating rent relief and viable contracts with the future of the Airport system. The

bill before us without the amendment, is designed to help the airport concessionaires only. And I must point out the defects in order to recommend to you certain fixes in this amendment.

"The underlying bill will hurt tourism and the Neighbor Islands and everyone in Hawaii. Most of the concessionaires have been hard hit by 9/11 and we would like to help them in some way. The subsequent security changes have hurt them even more in reducing foot-traffic in the airport. But realize that the lion's share of the bill we passed on 11/11 help the vendor that gets 80% of its revenue from Waikiki and not the airport, and that sells only to ticketed passengers and not family and friends of travelers. We helped them once before and we have not helped other businesses that are outside the airport that are also struggling. I think we should think of them also when we pass this bill.

"I believe we should give the Governor and the Director of Transportation the power to negotiate fair rent relief and future leases. After all, we can't do it. We are out of session very shortly and it is always the Governor and the Department Directors that negotiate these contracts. We must not tie their hands.

"The Attorney General is insistent that this bill must be amended and without this amendment, the effect of the bill would be disastrous to our airport system. If you have all read the FAA letter from the Attorney General, he states that the FAA has serious problems with the proposed measure that would jeopardize our entire system. If that is the case, if the feds consider the bill illegal, then we will have to come back in Special Session. This amendment will avoid a Special Session.

"Please do not lockstep vote in a partisan manner against this measure. This seems to be the pattern and I hate to see this polarize. This is a very important measure. We need this amendment for the health of our economy, for the integrity of our Airport Fund, and for everybody involved. Thank you very much, Mr. Speaker."

Representative Souki rose to respond, stating:

"Yes Mr. Speaker in rebuttal of course, against the amendment. First of all, I of course, read the letter from the Attorney General and the FAA. I think what we gather from that letter is that the FAA doesn't know that we have \$500 million in surplus. So certainly, this negotiation will not affect the bond rating. We have the largest surplus from any airport in the whole nation. We have the best bond rating. These negotiations have nothing to do with the surplus.

"And Mr. Speaker and Members, we will be hearing hopefully SB 44, and if it passes, there is nothing to stop the Governor from signing that bill, if the Governor is sincere about wanting to help the concessionaires and Duty Free, she will simply sign the bill. The Governor doesn't have to veto the bill if she's sincere about it. So let's call a spade a spade. Put it in her lap. Do you want to help them or not? If you do, here is the bill. Sign it. Thank you very much, Mr. Speaker."

Representative Fox rose to respond, stating:

"The Speaker Emeritus referred to the fact that the relief is conditional for the concessionaires and the problem is that, that is not the case. That parts of the bill mandate relief to concessionaires and that's what brings the FAA into the picture in opposition to the bill the way it is written. It's that money that should remain in the Airport Fund at the discretion of the people who use the airport as mandated for this relief purpose."

Representative Souki rose and stated:

"I believe he's speaking on the measure, SB 44, and not on the amendment."

Representative Pendleton rose to a point of order, stating:

"Point of order, Mr. Speaker. The gentlemen is out of order. He has not stated a point of order. He is just interrupting the current speaker who has the floor."

The Chair responded, stating:

"Your point is well taken, Representative Pendleton. Representative Souki, yes."

Representative Souki: "Yes, Mr. Speaker. I have every right to call a point of order, especially when I believe that he is not speaking on the amendment, but he is speaking on the bill. It is my right, Mr. Speaker."

Speaker Say: "On the measure which is not before us. Right. But ..."

Representative Thielen rose and stated:

"Mr. Speaker, Speaker Emeritus did the same thing, Mr. Speaker."

Speaker Say: "Representative Thielen, please sit. The Chair will allow the Minority Leader to continue on to make that correlation of the proposed floor amendment of why that proposed floor amendment is better than that bill that is before this House on Thursday, if this amendment passes or fails."

"I've allowed that for Representative Marumoto and I'll allowed it for Representative Fox at this point. But all of you on this floor should recognize your proper decorum, and what floor amendments are all about. So please proceed, Representative Fox."

Representative Fox continued, stating:

"Thank you, Mr. Speaker. There is a threat under the current situation that the amendment is designed to deal with. This amendment is virtually, entirely, about relief for small concessionaires. They're put in the position of either being part of a bill that illegally possibly, mandates relief in a situation where it should be negotiated. Or they're put in a situation of which nothing passes and they are forced to forfeit their bonds and then re-compete for the concessionaires leases under situations in which others can take the business away from them."

"DFS will be able to take care of themselves. It doesn't matter whether this amendment passes or not. It doesn't matter whether the bill passes or not. DFS is going to be okay in this situation. The bill and the amendment, the amendment as opposed to the bill, the amendment is about helping the small concessionaires survive a situation. We need this amendment in order to help the small concessionaires, and that gets to my second point."

"The Speaker Emeritus mentioned leveling the playing field. This is the level playing field. We need to help the small concessionaires. There's no doubt that if we put this amendment through the Administration will be in a position to renegotiate on favorable terms the lessees for the small concessionaires that currently hold the leases and they won't have to forfeit their performance bond. They won't have to start over again. So that's why we need this amendment. To help the small concessionaires. Thank you, Mr. Speaker."

At this time, the Chair called for a roll call vote, and by unanimous consent was approved.

Roll call having been approved, the motion that Floor Amendment No. 18, amending S.B. No. 44, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TRANSPORTATION," be adopted, was put to vote by the Chair and failed to carry on the following show of Noes and Ayes:

Noes, 36: Representatives Abinsay, Arakaki, Caldwell, Chang, Evans, Hale, Hamakawa, Herkes, Hiraki, Ito, Kahikina, Kaho'ohalahala, Kanoho, Karamatsu, Kawakami, Lee, Luke, Magaoay, Mindo, Morita, Nakasone, Nishimoto, B. Oshiro, M. Oshiro, Saiki, Say, Schatz, Shimabukuro, Sonson, Souki, Takai, Takamine, Takumi, Tamayo, Wakai and Waters.

Ayes, 15: Representatives Blundell, Bukoski, Ching, Finnegan, Fox, Halford, Jernigan, Leong, Marumoto, Meyer, Moses, Ontai, Pendleton, Stonebraker and Thielen.

UNFINISHED BUSINESS

Conf. Com. Rep. No. 142 and H.B. No. 200, HD 1, SD 1, CD 1:

Representative Takamine moved that the report of the Committee be adopted and that H.B. No. 200, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative Kawakami.

At 11:54 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 11:55 o'clock p.m.

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

"Mr. Speaker, I rise to speak in support of this measure."

"Mr. Speaker, HB 200, CD 1, Relating to the State Budget, makes appropriations for the operating and construction budget, for the Executive branch of the State of Hawaii. This particular bill, more than any other, outlines the priorities of the Legislature and of the people of Hawaii."

"First of all, I'd like to thank a few people for all of their efforts in the development of this State budget: Vice Chair Bertha Kawakami; each of the Finance Committee members; our Subject Matter Chairs; and to our Finance Committee staff, thank you very much for your dedication and hard work. The Senate Ways and Means Committee Chair Taniguchi and Vice-Chair Kokubun; the Senate Ways and Means members, and the WAM staff. Director of Budget and Finance, Georgina Kawamura and her staff; and Governor Linda Lingle."

"As you know, Mr. Speaker, putting the State budget together is a tremendous collective effort, and everyone's participation is appreciated."

"Mr. Speaker, the document you see before you today is a combination of suggestions and priorities of the new Administration, as well as suggestions from the Members of both the House and the Senate. During the past two weeks, I believe that your Conference Committee, was able to craft a budget, that not only is balanced, but balances without raising taxes. Mr. Speaker, if I can say that again. We have developed

a budget that balances without raising taxes, and it also restores previous cuts to public education.

"You will recall that back in March, when this Body voted in support of the House Draft of the budget, many of the cuts proposed by the Administration were included. Back in early March the severity and duration of the war with Iraq and its impact on Hawaii's economy, was very uncertain. As the primary goal of the Committee is to produce a responsible and balanced budget, agreeing with the Administration's cuts was the prudent thing to do. However, many Members of the House expressed concern with these cuts, particularly those budget cuts that would have impact on the children in our public schools.

"As Conference began a month later, it became apparent that the United States' involvement in Iraq had shifted from fighting a war to nation building. Some of the economic uncertainty caused by the prolonged run-up to the war subsided, and a clearer revenue picture developed.

"Mr. Speaker, when hearing the concerns of Members voiced in this Chamber, as well as members in our community, we had very serious concerns regarding many of the budget cuts proposed by the Governor. These cuts would have had a direct impact in the area of public education, both at the University of Hawaii and on our public school system. Mr. Speaker, we chose to stay true to the priorities that the people of our State had identified.

"The Governor cut funding for charter schools. We put that money back.

"The Governor cut funding for adult education. We put that money back.

"The Governor cut \$16 million in impact aid to schools. That's money that provides for the children of military families. Considering the sacrifices being made by their mothers and fathers in the defense of this country, that was a cut that should never have been proposed. Mr. Speaker, we put that money back.

"The Governor cut funding for public libraries. We found a way to put half of that money back.

"The Governor cut funding for the University of Hawaii. We restored approximately half the money."

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

Representative Takamine continued, stating:

"The Governor cut funding for the Office of Veteran Services. We put the money back.

"The Governor cut funding for the prosecution of career criminals and county anti-drug campaigns. We restored approximately half the money.

"The Governor cut funding for the Commission on the Status of Women. We put the money back.

"In the spirit of working together, the Conference Committee was able to identify additional budget reductions, beyond those identified by the Governor. To be fiscally responsible, we had to make some very difficult decisions:

"We cut a substantial amount of money from the request made by the Hawaii Health Systems Corporation. The Hawaii Health Systems Corporation has had seven years to move

towards self-sufficiency. Yet, we have continually been asked to provide a subsidy. We have given the Health Systems Corporation a full year to become more self-sufficient.

"Vacancy reductions were taken from all departments except the University of Hawaii and the Department of Education. If positions were vacant prior to December 31st, 2001, 50% of the funding for the position was taken and, when warranted, position counts were eliminated. This will save the State approximately \$8 million.

"Overtime for the Department of Public Safety was reduced to bring the Department more in line with national standards.

"Travel was reduced by 30% for all departments, except for the Department of Education and University of Hawaii, which took only a 10% reduction. This will save the State approximately \$3 million.

"By lowering our interest rate assumption and the amount of general obligation bonds issued by the State, we were able to save \$1.5 million in the biennium. And in addition, we will save in excess of \$260 million over twenty years.

"Mr. Speaker, your Committee made some very tough choices with this budget, and not everyone will be happy with it. However, I believe that we stayed true to our priorities, the priorities that the people of Hawaii have helped to define. And we restored the Governor's cuts to education, without having to increase taxes; or utilize the Hawaii Hurricane Relief Fund.

Your Conference Committee unanimously voted in support of the Conference draft of this measure. I ask that all Members support this balanced budget that affirms our collective commitment to our public school system.

"Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. In opposition. Mr. Speaker we're at the end of the Session. The end of our annual Session, and for the ninth time I'm standing to vote no on this budget. Mr. Speaker, for the sake of time, I won't go through the list of at least fifty reasons why this budget is inadequate. I'll just mention a few.

"Mr. Speaker, nine years ago, we did not implement the constitutional requirement that all State finances should be audited by our Legislative Auditor. Mr. Speaker, that requirement has been in our Constitution since before Statehood. It's never been implemented. Never have we passed a budget based on audited results, audited real numbers. Could I suggest that word? Calling them real numbers. Mr. Speaker, without real numbers there's a question as to whether or not the budget is really balanced. There's a question as to the effectiveness of management. We've been forty years of 'insiders club' in my view, of one party system running the State. Not keeping track. Running its insiders schemes ..."

Representative Saiki rose to a point of order, stating:

"Point of order. Could the speaker please refrain from intent or motive?"

The Chair addressed Representative Halford, stating:

"Representative Halford, could you please refrain from saying 'insiders'. Please proceed."

Representative Halford continued, stating:

"Mr. Speaker, to have an effective budget requires keeping track. To not keep track of money that is running through the system like water through a sieve. This budget is not different from the previous eight budgets that I voted no on, and in fact no different from the past forty plus budgets that have been conducted since Statehood. I am hopeful, Mr. Speaker, in this regard, that this situation will change. That a year from now, I will be able to not use this unaudited argument again. In other words, I hope that we implement auditing all State finances by the Legislative Auditor.

"Mr. Speaker, one of the components of this budget includes an unrealistic tax credit, the high tech tax credit, that squanders many millions of dollars that could go for human service needs."

Representative Saiki rose to a point of order, stating:

"Point of order. The bill before us is the State budget, not tax credits."

The Chair responded, stating:

"The Chair recognizes Representative Saiki's point, but the Chair will allow Representative Halford make that correlation between the State budget and the tax credits that are involved presently."

Representative Halford continued, stating:

"Mr. Speaker, if I could point out that the budget is a huge bill. The implications are phenomenal. And it includes, if we are moving money, it's related to our budget. I believe that any way that we take our people's money and any way that we spend our people's money falls within the purview of context of the budget of this bill.

"Mr. Speaker, we have social commitments that are going unmet because of that. Unrealistic tax credits that go to benefit a few, and whether those tax credits are used in the way they're intended, in every case it's questionable. That's just one more reason I'm voting no.

"Mr. Speaker, another reason to vote no is how we deal with our Health Systems Corporation. Mr. Speaker, we're all hopeful that our health care system will prosper, will be able to deliver the job. In fact, in my view, they've done a heck of a lot better job than when the State ran it. Mr. Speaker, we need to understand that we are asking the Health Systems Corporation to provide services in the provinces. To provide services close to our rural people, in facilities that cannot make money. That's not possible to make money. The State of Hawaii wants those services provided ..."

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

Representative Halford continued, stating:

"Mr. Speaker, we want services provided to our rural communities because that's a civilized thing to do. To have a minimum amount of health-care close to people. That is an a laudable State goal. We should recognize that and be willing to fund it. If we were willing to fund these certain losses of the provincial hospitals, the Health Systems Corporation would not be asking us for money. Additionally Mr. Speaker, our Health Systems Corporation is saddled with the collective bargaining system that is not matched or compatible with health systems providing them services. With those two cost burdens, Mr. Speaker, we are making unrealistic expectations of the Health Systems Corporation.

"So, Mr. Speaker, one of the places that we could take money that is being given to a few questionable high tech tax credit users is to properly, adequately, fund delivery of medical services to the provinces, to our Neighbor Islands, Mr. Speaker.

"Another point, Mr. Speaker, regarding this budget. I believe that our teachers, our public educators, are underpaid and that impacts the quality of public education in Hawaii. Mr. Speaker, if we want commitment to good public education, we need to attract the best and brightest and pay them well so that we can retain them.

"Just one more reason, Mr. Speaker. Mr. Speaker, in 1995 just nine sessions ago, my first session, we took away the tax credits on food and medical services. Mr. Speaker, until we address the social problems that come from that very regressive tax, I will not be able to support our budget. Mr. Speaker, our budget affects our community, not in just in how we spend our money, but how we take our money from our people. And this regressive tax Mr. Speaker, is corrosive to our community and it's unfair. It's beyond conscience in my view.

"Mr. Speaker, I'm hopeful that with the new political dynamics in Hawaii, and I'm looking forward to the Legislature being more constructive and pro-active regarding the use of money and keeping track money. I'm counting on our new Executive being responsible and constructive. I'm looking forward to being able to for the first time, vote yes on the budget one year from now. Thank you."

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

"I'm going to rise in support. I believe it's disingenuous for a previous speaker to say that, repeatedly, that the Governor cut funding for all the programs indicated. Because what the Governor did was present a balanced budget draft to this Legislature and it was with the reductions in rate of growth from the previous Administration's budget. Those were the cuts. The cuts were in the rate of growth. We actually grew the budget again.

"I support the budget because it is presented without any tax increases and I think that's very good. It does address some of the needed functions, but it still reflects some reductions in revenue that I think should not exist. We also had a previous speaker talk about some of those. But I think it's a very, very good start. I think we've made tremendous progress in this budget over previous budgets, and the way we've handled it. And I commend all of those involved for that, and I thank the House."

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

"I rise in support. I want to make two separate points. First of all, as the Representative from Maui said, the budget is an enormous document. It's an incredibly important document and in a sort of high-minded discussion, and a detailed discussion sometimes the human details get lost. So I just wanted to share my perspective and especially my thanks to the Finance Committee, on one particular restoration of education funding.

"My mother in law takes ESL in McKinley School for Adults. She's in her third semester and it really has changed her life. She used to be only a Cantonese speaker, and now she's functioning in society and speaking English and having a lot of fun. It's not only made her more productive in terms of society, but she's actually made a lot of friends there. I got lobbied by her. She came down to the Legislature, and she had a sign that said, "Save Adult Education." We had a lot of fun

and it was a really neat experience, and so I'm particularly thankful that we were able to restore the adult education funding because I think that does reflect our values and that we were able to do that without raising taxes and without reversing our course on diversifying the economy is really a testament to the Finance staff and the leadership in the House and Senate on both sides of the aisle.

"I think this the budget that really does reflect our values both with respect to economic development and with respect to the kinds of services that Government should be providing. That's why I think this budget is something that we should all support and get behind. Thank you."

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

"I rise in support. Mr. Speaker, we are passing a balanced budget. That's the good news. And we're doing it Mr. Speaker, with additional good news. We're maintaining our commitment to Hawaii's public schools. We're diversifying our economy. We're not increasing taxes and balancing the budget. And finally, we're keeping Hawaii's Hurricane Relief Fund intact. We're not touching it. As in any of our Representatives in a democratic society, with three branches of government, we do not always agree with the Executive branch or the Judicial branch. We are the Legislative branch and we differ at times.

"As Representatives of our constituents we have their concerns at heart, Mr. Speaker. The Governor and her inaugural speech on December 2nd before this Body, stated, 'I want to make some special mention of some of the pioneers in education. The leaders of the charter school movement in our State, and the work that they are doing to bring choice to the parents and the students of Hawaii.' We could not agree more with her, Mr. Speaker, and on behalf of our constituents, we have restored \$5.4 million in the New Century Charter School funding program that was being cut by the Governor and the Executive branch.

"Also, Mr. Speaker, again in the Governor's inaugural address before this Body, she states, 'We all know that the time has come that our public school system must deliver for all the people of Hawaii, for the parents, for the teachers, for the students, and for our community.' And part of that community, Mr. Speaker, is the Adult Education program, and we agree with the Governor in that way and we've restored again \$5.4 million that the Governor otherwise wanted to cut for Adult Education programs, thereby ensuring that thousands of Hawaii's people can further their education and become more productive members of our society, particularly for self-improvement of our seniors, like Representative Schatz's mother-in-law.

"Finally the Governor, Mr. Speaker, talks to us about having to care for our *keiki* and *kupuna*. We all agree. And for that reason we've restored \$1 million to our public libraries, statewide, thereby ensuring that our *keiki* and *kupuna*, the two most heavy users of our public library system have libraries to go to when they need to go to them and have the books they need to read. Mr. Speaker, we did all of this while cutting an additional \$16.6 million from the Governor's biennium budget. We have made hard decisions, Mr. Speaker, however remember this. We have put the people first. Our priorities are clear. Thank you."

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

"In support. It's really pleasing to come before the Body and see a budget that is actually represents reductions to deal with the tough times that we're in. We didn't resort to tax increases.

We didn't raid key special funds like the Hurricane Relief Fund, and instead we reduced the total spending, the operating budget minus CIP. The operating budget is \$200 million less in the current fiscal year from where it was last year, in the fiscal year that ends on June 30 of this year. So, if we look at the next fiscal year, it's down two hundred from the current fiscal year's total. Also, it's true that the Legislature has reduced the Executive's initial budget by \$65 million over the biennium and that's a cut of some significance.

"I do want to note in the context of an unnecessary reduction in revenue that we're taking in connection with the changes to the refusal to change Act 221 which is going to cost us \$55 million over the biennium. But in that overall cut of \$65 million from the Executive budget, is an \$80 million cut in the combination in health and human services. So in this area, the area affecting the people who are most needy and who are most unable to care for themselves, we have an \$80 million cut from the budget submitted by the Governor. We can deal with much of that \$80 million cut if we would stop paying the lawyers and accountants who are benefiting under the refusal to change Act 221. Thank you, Mr. Speaker."

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

"In strong support. Mr. Speaker and colleagues, against an economic backdrop of budget gaps and anemic State revenues below forecasted levels, rising costs of health care programs, weak visitor arrival numbers, and the great needs of our diverse population, the Legislature faced a very bleak outlook. And since our economy will probably continue to experience sluggish revenues, at least in the short-term, the reductions made throughout the budget were deemed critical in providing the most basic of needs and services to the citizens of our State.

"Let me skip and say that this Conference Committee approved converting 803 temporary comprehensive school support services positions, namely the *Felix* response plan and the school behavioral health positions to permanent status. And this was done to maintain compliance and place priority on the continuum care for students needing these vital services. A report to the Legislature prior to the 2004 and 2005 Legislative Sessions will complete the conversion of these temporary positions to permanent positions.

"We also denied two administrative requests to reduce the basic general fund budget for regular education, (EDN 100) and the adult ed program, (EDN 500). Because you Conference Committee wanted to maintain prudence in the oversight of these very essential programs.

"There is much to say but I would like to conclude with the following: Number one, we have passed a balanced budget. Secondly, we have maintained our commitment to public education, our number one priority. Three, we have disallowed any tax increases and refrained from using the Hawaii Hurricane Relief Fund.

"We have protected public education with \$16 million for federal impact aid; \$5.4 million for New Century Charter Schools; \$5.4 million for adult education; \$4.2 million for school safety managers; and \$1 million for public libraries throughout our State. \$1.6 million for community colleges; \$800,000 for UH Manoa, our banner university; \$450,000 for UH Hilo; and \$58,000 for UH West Oahu. And need I say more?

"This is a compassionate budget. Our number one priority: education for our children, our youth, our young adults and our adults. Many thanks to Chair Takamine for his astute leadership. For the Finance Committee, the Members of the

Committee, both young and old. Our analysts and our researchers who have worked as a team and delivered immeasurable help to our Committee. To Speaker Say for wisdom and foresight. Our Majority Leader Saiki and Vice Speaker Luke for their strong leadership. To Mr. Alex McGehee for his insightful and thoughtful help to our Committee. To all of these individuals for steering us through these 'white water rapids'. Thank you, Mr. Speaker."

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

"I speak as a non-member of the Finance Committee and not being close to the finances, I was very much aware as a Member of this Body, and I'm speaking in support of the budget. I'm speaking to congratulate the Finance Committee on both sides of the aisle.

"But what impresses me most about this whole discussion is not the details, but the fact that the Majority and Minority Leaders are together on the most important document that we're doing. I think that is a tribute to the leadership of this House and through the spirit of cooperation in this House. In spite of the fact that one of the Minority members was quoted the other day that this is the most partisan Legislature that we've ever had. I think that the fact that we agree on the budget, this proves that and shows that we can get together for the good of the people. Thank you."

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

"I rise in support. To follow up on the good colleague from Puna, I too want to thank the Finance Chair and the Finance Vice Chair for the very fine leadership they showed throughout the process. While the Chairman may sometimes appear to be a drill sergeant, and the rapid speed that he moves through the agendas, he's extremely focused, very efficient, and for that I say, mahalo.

"I believe one word describes the process this year more than any other and that's discipline. And I believe that in both Chambers, a great deal of discipline was exercised. It's interesting to see that the biennium budget which we passed in CD 1, is \$760 million less than the Executive budget that we were given. So there certainly was a lot of discipline used and also a lot of creative financing to find money in different places.

"I think we should all be proud. I feel it's an honor to serve on the Finance Committee and I'm pleased to vote yes on this document. Thank you."

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

"Yes, Mr. Speaker. I wish to speak in favor of the budget with a couple of caveats. First of all I want to congratulate the Chairman, and leadership, and Vice Chair, and members for doing a tremendous job. I know how difficult it is to run and operate a Finance Committee and come up with a balanced budget.

"The concern I have, Mr. Speaker, and hopefully this is a positive concern. In balancing the budget, we use one-time funding only, special funds. And certainly we have every right to do that. There is surplus and you use the surplus of special funds, and that's appropriate. However before we pat ourselves too much on the back, we have to understand that, that's one time only. It may not be available next year. It probably won't. And then in the process, some programs did get hurt, like human services. I come from a human services background

and I know that human services got hurt. Probably long-term care programs and the Medicaid reimbursement will not have enough, and they took some of the biggest hits.

"I'm concerned also in the health area in our Neighbor Islands. I am very concerned about the hospitals and the care in the rural areas. I think they took a huge hit there. I think we need to look at that, Mr. Speaker and Members. We want the State hospital to be efficient and to pay their own way. But Members, we have legislation that prohibits them from doing that. It provides that if they want to reorganize and make a change, they have to come back to us. And sometime Members, where they need to do the cuts, it may affect us personally, so it's very difficult for them to do that and for us to pass that. But I think objectively, we need to look at that. So I think for the future before we criticize them that much, certainly they need to improve, Mr. Speaker. But they cannot improve unless we give them the total ability to do that, which we have not. We need to look at that, Mr. Speaker.

"Also, I am concerned about, Mr. Speaker and Members, where we need to charge for textbooks. What I'm saying is that overall for the short-term yes, we have balanced the budget and it looks good. But are we doing the right thing for the State and providing the quality of services that they need with the only consideration being to balance the budget. Balancing the budget is fine, Mr. Speaker, but sometimes we need to look at the high road. Balancing the budget, keeping the cost under control is the best thing for the State of Hawaii. But we need to look outside of that. Is the quality of service that we are delivering now, what it should be, for the people of the State?

"We need a prison. We don't have a prison yet. If we have a prison, whether it's privatized or not, there will be a cost. How do we pay for that? How do we pay so we can make our University system the best system in the world, in the nation, when every year we cut a little bit. Certainly not as much as we should. We save some money off of that. We should be giving them more money. Not continually cutting every year. So it is with education. We look around for where we can and we agree with the Administration, the Governor. We should look for different types of governance. But if they have to pay for their textbooks, and if they do not have sufficient supplies, are we doing a service to the community? Are we providing the quality of care and services? You talk about compassion. My friend, there is always talk about compassion. Do we have it? Thank you very much."

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

"Thank you, Mr. Speaker. In support. You know Mr. Speaker, already I heard, 'The Governor cut this. The Governor cut that.' For a minute there I thought I woke up in a *samurai* movie. The fact is Mr. Speaker, is that if we were given the chance, given the same identical information, the same chance to hear pros and cons, we would present 51 different versions of the State budget. The kicker is that we can probably make the same speech without changing a word. All the speeches here on the floor could be probably the same because I think what is key here Mr. Speaker, even through the process through the several months that we have been working on it, the bottom line is we've come up with a reasonable budget that restricts our spending to within what we expect to be getting in revenues and taxes. And I think that is the bottom line Mr. Speaker, and that is why I am in support of this budget."

Representative B. Oshiro rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I rise in support. Just briefly, I wanted to comment on the potential criticism that we are not addressing human services in this budget. One of those criticisms may be directed at the fact that in fiscal year '05, we are reducing \$9.2 million dollars. When I took a closer look at what was the genesis of this, I found out actually, a majority of it is \$7.3 million that is the reduction to MedQUEST. And this is primarily for migrants under the Compacts of Free Association. If people don't know what that is, that's basically citizens from foreign islands, trust territories, Micronesia, Marshall Islands, Palau. And what they are given is unrestricted access. But when they come here what happens is they put a financial strain on the public and private sectors, especially our hospitals and health providers. That's really where the MedQUEST \$7.3 million comes in.

"Really when we tried to look at why are we taking this out of the budget, obviously we stand for giving these people their basic health. The approach that I really commend the Finance Committee for, and I think it's a very, very sound approach, is that what they did was they looked at the March 17, 2003 editorial in the *Honolulu Advertiser* where the Bush Administration offered \$15 million a year over the next two years to be shared by Hawaii, Guam and Northern Marianas Islands and America Samoa. So really what we're trying to do is see if the Governor can go out and get the money from the federal government for fiscal year '05. I really think that she can do it. We want to give her that opportunity to try and come up with this money, this \$7.3 million that should be coming from the feds to the Compact of Free Association.

"Why do we think she can deliver this? I took a look at her New Beginning plan and I was actually surprised to see that this was one of the specific points that was identified. She says, "Seek federal reimbursement on behalf of local hospitals and physicians for the millions of dollars of health care cost resulting from the federal government of Compact of Free Association." So I think that even if the Governor foresaw this opportunity, this kind of chance for her to go get the federal money, and she promised this in her new beginning, we want to give her that chance to go and get the monies that we can use that money somewhere else in the budget. So, it's for those reasons, I stand in strong support."

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

"I and standing in support and request that I might be able to insert some comments into the Journal," and the Chair "so ordered."

Representative Sonson continued, stating:

"My comments will really be focused on two things that concern me. The way that we creatively reduced our budget, but at the same time not addressing creative revenue generations. Creative revenue generation was something that wasn't even discussed in this Chamber. In fact, it was a great bill. I guess it was proposed by the Representative from Hilo regarding shipboard gambling. Now that's one creative way to finance some of our very, very important programs.

"And we shouldn't really close our eyes or our minds to creative generation because to cut and to cut and to cut, it hurts. You know a lot of people are really crying out there in the rural area and maybe as well as in the cities. Those are the things I'm going to focus on in my submittal. Thank you very much."

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

"Mr. Speaker, I would like to briefly speak in support. In just a small way, the relatively small amount of money in this budget makes me extremely happy and I think most of the women sitting in this Chamber. That's the restoration of the \$95,000 for the Commission on the Status of Women. Thank you."

At this time, the Chair announced:

"Members, at this time we've had a lot of discussion. If any on you would like to insert your written comments in support of H.B. No. 200, you are now given the opportunity."

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

Representative Takai's written remarks are as follows:

"Mr. Speaker, I rise to speak in favor of HB 200, CD 1.

"When the legislative session began in January, we were again faced with significant fiscal challenges.

"Additionally, Gov. Lingle insisted that we not use the \$182 million in the Hawaii Hurricane Relief Fund to balance the budget. I agreed last year that this money should not be used to deal with our fiscal woes. This budget again does not use the corpus of the hurricane fund.

"The Council on Revenues also lowered their projection from six percent to 4.3 percent. This reduction added another \$56 million to the shortfall for the current fiscal year.

"The war with Iraq and the breakout of Severe Acute Respiratory Syndrome (SARS) also had a negative effect on our state's economy.

"Throughout this tenuous period, we were forced to make some very tough budgetary decisions. Despite these obstacles, the Legislature was able to balance the state's budget without raising taxes and cutting warm bodies.

"Many of the cuts to the University of Hawaii system imposed by Gov. Lingle were restored. Initially, the University of Hawaii had to absorb a \$6.9 million in each of the three fiscal years (this current fiscal year included). Add to that the \$5 million add-ons proposed by Gov. Cayetano, the budget cuts at the start of this year's legislative session to the University of Hawaii amounted to more than \$31 million.

"This \$31 million cut was revised downwards by the administration in February to \$19 million. Instead of cutting the department by more than \$6.9 million in the next fiscal years, the governor revised this figure down to \$3.2 million for the next three fiscal years.

"Even this \$3.2 million cut for each of the next two fiscal years would hamper the University's ability to provide basic services to our people.

"This budget proposes only a \$1.8 million cut to the University's budget for each of the next two fiscal years. In comparison, this is a much better than the \$6.9 million cut for each of the next two fiscal years proposed by Gov. Lingle. This is a 73 percent reduction in the cuts. And although I would have preferred no cuts to the University's base budget, this 73 percent reduction is great.

"This budget restores the Administration's cuts to the community colleges. A total of \$815,943 was proposed to be cut from the community colleges in the \$3.2 million budget cut

scenario. These cuts would have cut classes and lecturers, pushed back repair and maintenance of facilities, and cut the purchase of supplies.

"The community colleges rely heavily on state funding because tuition fees need to be kept at a reasonable level to ensure access to higher education. By restoring these cuts, we are keeping higher education available and affordable to the people of Hawaii.

"Also being restored each year is \$225,977 for UH-Hilo, \$29,324 for UH-West Oahu, \$4,622 for the Waikiki Aquarium, and \$5,807 for the Small Business Development Center.

"In the \$3.2 million cut scenario, UH-Manoa's original budget cut was a little over \$2 million. This cut was reduced by the Legislature from \$2 million to \$1.6 million. We know that any budget cut has its effects, but throughout the legislative session, Manoa was unable to provide any impact statements for the five percent restriction imposed by the governor and the even failed to provide details of the proposed cuts for the next two fiscal years.

"We did not want to cut any portion of the University's budget, but in these tough economic times, prudent and responsible decisions must be made to balance the budget and without significant guidance from UH-Manoa, we were forced into making this \$1.6 million cut.

"It must also be noted that there is a reduction in travel for all campuses. The University's share totaled \$117,181, which is only 10 percent of the department's travel, while other departments had to absorb 30 percent. This shows our commitment to the University.

"We are committed to education and to higher education and are doing everything possible to continue educating the people of Hawaii. In this biennium budget, we are supporting the University of Hawaii and its goals.

"I would like to recognize and thank Chairman Takamine, Vice Chair Kawakami, the members of the Finance committee, and the Finance Committee's staff for their exceptional efforts to preserve access to our University. For this, the state and its people are grateful.

"The Committee on Higher Education was blessed by the leadership of Vice Chairman Tulsi Gabbard Tamayo. As its chairman, I would like to personally thank Rep. Tamayo for her efforts to protect the University of Hawaii system from severe and drastic cuts. Rep. Tamayo's leadership as the Vice Chairman of the Higher Education Committee was outstanding."

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

Representative Takumi's written remarks are as follows:

"Mr. Speaker, I rise in support of this measure.

"As you know, it was a real challenge to come up with this budget especially when you consider what we started with. The Governor proposed a budget that cut the Department of Education by \$43.4 million. We could have simply said that the light at the end of the tunnel has been turned off until further notice. Instead, I would like to recognize the members and Chair and Vice Chair of the Finance Committee for their efforts.

"You see, Mr. Speaker, a budget is more than just numbers, projects, provisos, CIPs, GIAs and all the rest of it. It really is a moral document.

"It reflects our compassion, commitment and concern. It symbolizes our values and who we are as a legislative body, as a community, and as a society.

"We restored funds in areas that the Governor proposed cutting—adult education, impact aid, school safety managers, charter schools, lease rent for Nanaikapono Elementary School—and other areas. By doing so, this document in a simple but profound way makes a moral statement.

"Let me illustrate what I mean by this. This past weekend, I went to an event put on by the Oahu Band Directors Association held at the Pearl City High School Cultural Center. School bands from across Oahu came to perform and I had the opportunity to observe and speak with a number of band directors. It was readily apparent that these directors truly cared for their students. Their obvious dedication inspired me. I asked one director why he put in so much time; I mean, after school, weekends, not to mention his school organizes a mainland trip for the band every two years. He simply said, "It's for the kids."

"Mr. Speaker, when I see what we managed to do for education in the budget bill despite the current economic climate and making the decision not to raise taxes, I can only echo his comments: "It's for the kids."

"Thank you."

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

Representative Ito's written remarks are as follows:

"Mr. Speaker, I rise in support of Conference Committee Report No. 142, HB 200, HD 1, SD 1, CD 1.

"Mr. Speaker, in our attempts to become a more efficiently run department, certain areas of excessive spending still need to be addressed and corrected. While I commend the Department of Public Safety's progress, the reductions to overtime in HB 200, HD 1, SD 1, CD 1, were made in an effort to bring our facilities' overtime expenditures closer to national standards.

"I truly appreciate the inherent challenges that our correctional facilities face, however the level of overtime incurred presently is unacceptable. My hope is that the Department and the Administration can work together to address this problem in order to reduce overtime within levels that are comparable to similar facilities on the mainland.

"Mr. Speaker, in conclusion, I sincerely hope that we can become more efficient as a Department, especially since we, as a State, currently face economic shortfalls in almost every area. In this post-war Hawaii, we need to be able to sustain ourselves in order to push for a revival of our economy in the future."

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

Representative Wakai's written remarks are as follows:

"Madame Speaker, I would like to point out that this budget restores \$56,000 the Governor wanted to cut from the Office of Veteran Affairs. That's not a huge sum, but it's a meaningful

gesture because the money also restores people's faith in this great nation.

"During the early stages of this Session, the Finance Committee heard about a widow who was disappointed by the lack of maintenance at the State Veteran's Cemetery. Grass had grown tall around her beloved husband's grave marker. So she used her own money to hire gardeners to mow the grass. Is that the way to treat our veterans? Each soldier, marine, airman, or sailor is ready to sacrifice their blood for our freedom and we were about to take them for granted. The \$56,000 restoration brings dignity to America's fallen heroes. In addition to being a budget of fiscal responsibility, this is a budget of civic duty. Thank you, Madame Speaker."

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

Representative Evans' written remarks are as follows:

"I support House Bill 200, Relating to the State's budget and have asked that the following comments be inserted into the House Journal:

"The members of this House have been working since the first day of Session to determine the State's priorities and improve the quality of life in Hawaii. I want to thank the House Finance Committee, in particular, for their work in achieving a balanced budget. In addition, I would be remiss if I did not thank the Senate Committee on Ways and Means and the Executive Branch for their hard work.

The State budget that we are voting on today is reasonable given the current economy and the public's mandates to find efficiencies, not raid the Hurricane Relief Fund, and support public education. Not only do I believe that the voice of the people was heard, but the voice of the Governor was heard and sufficiently reflected in the budget.

"I'm pleased to point out that the Legislature restored a portion of the funding that was removed by the Administration for the Natural Energy Lab in West Hawaii (NELHA). This budget moves NELHA towards self-sufficiency over the next four years. NELHA serves as a laboratory for research and development, an incubator facility for developing innovative new technologies and businesses, and a base for commercial operation that utilize cold and warm seawater.

"In fiscal year 2002, there were 30 active projects at NELHA in various stages of research, demonstration or commercialization. An emerging project is the federal funded NELHA Gateway Facility for research, education, and outreach.

"Note that this budget does not adequately fund the expansion of some of the schools in my district in response to the growing population, does not adequately fund improvements in the small boat harbors of West Hawaii, and does not adequately fund transportation projects in District 7. But, I understand the responsibility of ranking priorities from the list of pressing needs of communities. I hope that next year these needs are addressed.

"It is imperative that through our efforts this coming year we will find opportunities to diversify the economy and make sure that the private sector succeeds. Only with the increase in revenues to the state can we tackle the problems that I mentioned and address problems of other communities across the State.

"Overall, I believe that the process of working with budget proposals from the House, Senate and Governor to determine the importance of certain services and programs created a budget that is reasonable and resulted in a budget that reflects fiscal responsibility and the State's priorities. I will be voting yes."

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

Representative Finnegan's written remarks are as follows:

"Mr. Speaker, I rise in support of C.C.R. 142, H.B. 200, H.D. 1, S.D. 1, C.D. 1. This is my first session as a legislator, and watching the budget being worked out has been a fascinating process. Like my colleagues, I am proud that we were able to balance the budget without resorting to tax increases or raids of the Hurricane Relief Fund. We have done some good things with this budget, such as attempting to maintain spending on education in spite of our tightened fiscal circumstances. Because of the direction provided by the governor, we are exercising fiscal restraint – a necessity if we are to keep government from becoming even more burdensome on our economy.

"There are some things in the budget that I would have liked to have seen changed. I would have liked to see us provide greater funding to health and human service 'safety net' organizations, although S.B. 1305, S.D. 1, H.D. 1, C.D. 1 makes up for some of this. Still, I agree with the Governor in believing that we have to make hard choices during these difficult times, choices like making the Commission on the Status of Women rely on its trust fund in order to free up its state funding for other services.

"Finally, Mr. Speaker, I object to some of the comments made by other speakers, such as the Chair of the Finance Committee and the representative from Manoa, about the 'cuts' in the Governor's proposed budget to education in general and charter schools specifically. It is a point that has been made repeatedly by some of my colleagues, such as the representative from Kapolei, but it bears repeating: reductions in the amount growth in the Department of Education's budget are not the same things as 'cuts' in their budget. Their budget for the upcoming biennium is still larger than it was for the current biennium. While I understand that they find the lower amount of growth difficult to deal with, I hope that the DOE also understand that these are tough budgetary times for the whole state. We cannot continue to throw money at education in hopes that dollars alone will produce results. We need to find efficient, successful alternatives, such as continued support for charter schools and changing to a decentralized education governance model. I hope we can work on these alternatives in the next session.

"This is a good budget, Mr. Speaker, and a step in the right direction toward fiscal sanity. I hope it is a path we will continue down next session.

"Thank you, Mr. Speaker."

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:

"We have worked hard on HB 200 and it is a budget we can be proud of. In these tough economic times, we have continued to support both higher and lower educational programs. In

Finance, we heard how the Governor's proposed budget cuts would have a devastating effect on our educational system.

"I am proud that we have been able to restore funding to many aspects of the higher and lower ed budget.

"I am particularly proud that we are able to restore \$5.4 million to the Adult Education Program. The Adult Education Program in Hawaii consists of a system of 11 community schools.

"These schools provide a variety of programs, not just self-improvement classes, but classes that teach necessary skills for those individuals in our community who are on fixed incomes and who are seeking to become more productive and employable citizens.

"The Administration's budget proposed a \$2.7 million cut, or a 50% reduction to the Adult Education general fund budget. Since the majority of the cost of this program is in staff salaries, this would mean a large number of layoffs of teachers. The Administration had stated that they are against any layoffs of personnel.

"Since most of the self-improvement classes are already self-supporting, the 50% budget reduction would significantly reduce the amount of services provided for the population that is most in need of adult educational services. This population consists of immigrants who need to learn basic English and to take citizenship classes, welfare recipients who need reading skills and math training to become employable, and adults who need a high school diploma or GED to qualify for apprenticeship and other work programs.

"In addition, the proposed 50% reduction to the program would jeopardize the State's \$2.2 million in annual federal Adult Education and Family Literacy Funds, since this large of a reduction would violate the U.S. Dept. of Education's mandatory "maintenance of effort" requirements. This reduction could cost the State approximately \$1.1 million in federal funding.

"This is why I support HB 200. Arbitrary cuts to programs without understanding both the way a program works, and what ramifications will develop from budget reductions will have the opposite effect than saving money for the State. Portions of the Adult Education Program of Hawaii that are geared towards self-improvement, and athletic or cultural skills are self-sustaining. As a policy, the State should fully fund programs for those individuals who are most in need of educational assistance to become productive members of our community. That is why I support adult education."

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

Representative Shimabukuro's written remarks are as follows:

"School Security is Tantamount

"The Legislature has restored funding for school safety managers, thus rejecting the new Administration's proposal to cut approximately \$2 million per year. This funding will cover contracts for 69 school safety managers and other operating costs. The new Administration's proposal to cut this amount, would not allow the Department of Education to adequately provide for the safety of our students in secondary public schools.

"School safety managers assist and support school administration with matters related to school safety. Some of the services the safety managers provide include: coordinating, preparing, reviewing and updating school crisis management and response plans; investigating school crimes and incidents; developing and implementing facilities safety plans; and coordinating services of emergency responders to school events and incidents.

"Secondary schools face many safety issues and problems, and require personnel specially trained in security-related work. Safety managers are better prepared than principals and vice principals to handle school safety issues, and their presence allows the principal to focus on implementing standards-based education as part of the school's Standard Implementation Design (SID). A safe school environment is more conducive to student learning and greatly reduces the state's exposure to liability for serious injury to students and employees. School safety is a high priority of the Hawaii State Student Council, the Board of Education, and the Department of Education, and must remain a high priority of the Legislature are well."

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

Representative Karamatsu's written remarks are as follows:

"Mr. Speaker, I rise in support.

"The challenge of balancing the budget this Legislative Session was enormous. Last year the Governor made promises to not raise taxes, lay off workers, and take monies from the Hurricane Fund. This took off all the options from the table for discussion because anyone who disagreed with her would be called an 'obstructionist' in one of her many press releases against the Legislature. Moreover, the Council of Revenues Projections looked grim.

"The House was eager to work with her. However, in the House Committee on Finance, the Administration was late making many deadlines regarding their proposed budget, which made it difficult for the committee to move forward since time was of the essence. When the Administration's proposed budget was finally presented by the Department of Budget and Finance, there was to be a five percent cut across the board for all departments. However, Education and Higher Education ended up taking most of the cuts, much higher than five percent.

"The House and Senate came together and worked out their differences and came up with a balanced budget. The House and Senate placed education as a top priority by restoring the Governor's cuts in education. In addition, taxes were not raised, people were not laid off, and the Hurricane Fund was not tapped. Given the circumstances, balancing the budget was an accomplishment.

"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. 200, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE BUDGET," passed Final Reading by a vote of 50 ayes to 1 no, with Representative Halford voting no.

The Chair directed the Clerk to note that H.B. No. 200, HD 1, SD 1, CD 1 passed Final Reading at 12:38 o'clock p.m.

At 12:38 o'clock p.m., the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 12:55 o'clock p.m., with the Vice Speaker presiding.

At this time, the Chair announced:

"Members, just as an explanation as to the reason why we had to take a recess is before we take up any other measures. We need to ensure that the State budget is transmitted up to the Governor. We wanted to just apologize to the Members. Your lunch break cannot happen until 1:30 p.m. The food is not ready so we may as well try to take care of as many pages as we can before lunch."

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. 200, HD 1, SD 1, CD 1, was adopted, and that H.B. No. 200, HD 1, SD 1, CD 1, Relating to the State Budget, passed Final Reading in the Senate at 12:10 p.m. this day.

"In addition, I have been informed by the Assistant Clerk of the House that at 12:43 p.m., this day, H.B. No. 200, 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."

Conf. Com. Rep. No. 143 and H.B. No. 808, HD 1, SD 2, CD 1:

On motion by Representative Takamine, seconded by Representative Kawakami and carried, the report of the Committee was adopted and H.B. No. 808, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE JUDICIARY," passed Final Reading by a vote of 47 ayes and with Representatives Bukoski, Chang, Ontai and Say being excused.

The Chair directed the Clerk to note that H.B. No. 808, HD 1, SD 2, CD 1 passed Final Reading at 12:57 o'clock p.m.

Conf. Com. Rep. No. 144 and H.B. No. 1300, HD 2, SD 2, CD 1:

Representative Takamine moved that the report of the Committee be adopted and that H.B. No. 1300, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative Kawakami.

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

"I rise in support. I wish to express my appreciation to the Finance Committee Chair, and Ways and Means Chair for their willingness to accommodate the last minute OHA request for adjustments to this budget. 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. 1300, 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 48 ayes and with Representatives Chang, Ontai and Say being excused.

The Chair directed the Clerk to note that H.B. No. 1300, HD 2, SD 2, CD 1 passed Final Reading at 12:59 o'clock p.m.

Conf. Com. Rep. No. 3 and H.B. No. 595, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 595, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHECK CASHING," passed Final Reading by a vote of 51 ayes.

At 1:00 o'clock p.m., Representative Meyer requested a recess and the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 1:01 o'clock p.m.

Conf. Com. Rep. No. 4 and H.B. No. 29, HD 1, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that H.B. No. 29, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative Lee.

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

"Thank you, Madame Speaker. I am rising in opposition to this bill. "This bill would require employers to provide employees an unpaid thirty minute break during an eight hour shift. I speak on behalf of those employees who sometimes want the flexibility to work through a shift without a break or to take two shorter breaks. I also speak on behalf of the small businesses that would be burdened by this regulation. This bill adds yet another regulation that impedes our local small businesses ability to turn a profit.

"Sometimes employees request to work through a meal break in order to leave work early. But this bill would not allow employers to grant the employee this request. There are many reasons why it might be in the employees interest to take a break during an eight hour shift. Employees might need to leave work earlier in order to fill family responsibilities for example. Picking up children from school, daycare or sports practices. Employees might rather eat a sandwich during a fifteen minute lunch break so that they can spend a little extra precious time at home with their families. Employees in the sales industry who earn a commission might rather skip lunch on a busy day rather than forego the opportunity to earn the extra commission.

"This bill creates exemptions for certain industries, but not for small businesses. These small businesses are left with yet another especially burdensome regulation. This bill makes it more difficult for small businesses to manage their enterprise and give small businesses fewer options. It continues to place regulations on businesses while ignoring the crushing impact they can have on small businesses. Our State will need to live with the consequences which may include fewer small businesses to provide the very much-needed jobs for the people in our State. Thank you, Madame Speaker."

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

"I stand in support of this measure. This bill will follow up on previous legislation that prohibited the discrimination against employees who express breast milk during meal breaks, as required by law. And as you remember this was a very important bill to us in a couple of sessions ago. Before this bill, there were no meal breaks required by law for employees over the age of 16, no matter how many consecutive hours they

work. So for except those mothers under 16 who were employed, there were very few women who could benefit from the protection of the breast feeding law. Therefore this bill will greatly facilitate mothers who choose to express milk of their children.

"It is only reasonable that an employee working 8 or more hours be afforded a reasonable break to rest, have a meal and express breast milk. These meal breaks are unpaid but the benefits of the employees will nevertheless be tangible. And I would argue, it will improve productivity and morale in the workplace. Even this Body Madame Speaker, enjoys a meal break on rather long reading days when the lunch is ready and when our agenda runs long. Employees in the private sector should be afforded the same. I urge my colleagues to vote yes on this measure."

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

"Thank you, Madame Speaker. I rise in opposition. And although I agree with the words of the Majority Floor Leader, I think this are one of those well-intended bills that will have some negative impacts on the economy and on small businesses. I note that, and I appreciate some of the concessions that were made in Conference Committee regarding some businesses to help and relieve some of the negative impacts that it will have. But it doesn't address all of them and I think this will have a big impact on the transportation industry, where drivers, truck drivers and other vehicle drivers tend to work a continuous 8-hour, maybe sometimes even 10-hour day on their own will and they choose not to take a lunch break. So although again it is well-intended, it is going to have some huge impacts on businesses and for those reasons, I am voting in opposition. Thank you."

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

"Thank you, Madame Speaker. I rise in opposition. I see this is a large impact on small business and I think most of us have taken a position that we need to help small business. This is just one more regulation because it doesn't apply really to government workers, because they deal with this in the collective bargaining. And I also would like to save time to include the words of the Representative from Kahaluu and also the Representative from Up Country Maui as my own. Thank you, Madame Speaker," and the Chair "so ordered." (By reference only.)

Representative M. Oshiro rose to speak in support of the measure, stating:

"I rise in strong support of this measure. First of all I'd like to just tell people what is in the measure:

"One, it prohibits an employer from preventing an employee from expressing breast milk during a meal break provided by an employer on a voluntary basis.

"I think the Majority Floor Leader commented that back in 1999, many of us who were in the Legislature at that time enacted Act 172. In Act 172, it basically established the policy of this State. That expressing breast milk should be protected in that we believed, and still believe I hope, that in allowing women to express breast milk, even as employees, that ultimately society will benefit by having healthier children. And that is a very important problem to the State. So that does that here. Without this measure Madame Speaker, you as a new mother would realize that many women out there in the workforce would have no protections in law to express breast milk to feed their infant child.

"Number two. It requires employers to provide employees with at least a thirty-minute break for eight hours of work under the Hawaii Wage and Hour Law.

"Number three. It doesn't require that the 30 minutes be paid, but it requires that they be allowed if they're working 8 hours.

"Just for the Members' edification, and to personalize it a little bit. We started this morning's session at 10:00 a.m. and if we were to work 8 hours continuously, without a break, that would take us from 10:00 a.m. this morning to 6:00 p.m. this evening. And I can imagine that many of us here would find it intolerable to go for 8 hours without any type of break.

"Four. The thirty-minute break requirement does exclude the following types of businesses. One, employers who are subject to a collective bargaining agreement both public and private sector collective bargaining agreements. Two, common carriers of passengers; in other words the OTS or the Bus is not covered under this particular measure. Three, power generating utilities; like H-Power which runs 24-7 would not have this law applied. And four, similarly, waste water treatment plants that run pursuant to environmental permits would not be impacted.

"And I need to correct one of the prior speakers because we did put a provision there that was sought by the Hawaii Transportation Association, that basically excludes those truckers or warehouse type people from this law's application. I'd like to ask that I have leave to submit other written comments. But I ask that the Members support this measure as good, sound public policy. Thank you."

Representative M. Oshiro's written remarks are as follows:

"Mr. Speaker, I rise to speak in favor of House Bill No. 29, Conference Draft 1.

"This measure would:

- Prohibit an employer from preventing an employee from expressing breastmilk during a meal break provided by an employer on a voluntary basis;
- Require employers to provide employees with at least a thirty-minute break for eight hours of work under the Hawaii Wage and Hour Law;
- Clarify that an employer is not required to compensate an employee for the thirty-minute meal break; and
- Exclude from the thirty-minute break requirements:
 - Employers who are subject to a collective bargaining agreement that expressly provides for employee meal breaks;
 - Common carriers of passengers;
 - Power generating utilities; and
 - Operators of continuously operational facilities regulated by an environmental permit.

"During the Regular Session of 1999, the Legislature enacted Act 172, which protected an employee's ability to express breastmilk during any meal period or other break period required by law or provision of a collective bargaining agreement. Through the enactment of Act 172, the Legislature asserted the public policy that the consumption of breastmilk is beneficial to the general health and welfare of our citizenry.

"However, as we learned during the public hearing before your Committee on Labor and Public Employment, Act 172 only protects women who express breastmilk during breaks required by law or by collective bargaining agreements. Currently, state law does not require employees to provide any breaks. Thus, if an employee is not covered under a collective bargaining agreement, an employee who wishes to express breastmilk during a break that is provided voluntarily by the employer is not protected from discrimination.

"From the larger policy perspective, I firmly believe that any employee who works eight hours or more consecutively should be provided a meal break. Not only will this promote the efficiency and effectiveness of employees, but more importantly, it will reduce the incidence of worker injuries and enhance the morale of our workforce.

"Since the reporting of this measure from your Committee on Labor and Public Employment, I have spoken with numerous employers about this bill. I was told that this bill will have drastic consequences to employers, which in turn will further add to our economic woes. I was told that this bill will be especially bad for certain "high-tech" operations and result in higher utility costs for consumers. And I'm sure that these employers have also spoken with my colleagues across the aisle who in turn will likely oppose this measure.

"I would like to state my reasons why I think this is a good bill. First, House Bill No. 21, Conference Draft 1, codifies in statute accepted practices within the business community. The majority of employers that I know of already provide meal breaks for their full-time employees. Most, if not all, collective bargaining agreements also have provisions requiring the employer to provide a meal break at regularly scheduled times during their work schedule. What this bill will do is clarify that an employee is entitled to at least a thirty minute break if the employee works more than eight hours continuously.

"Second, for those few employers who do not already provide meal breaks for employees who work eight hours continuously, this bill will establish the public policy that it is in the people's best interest to require employers to provide such a break. This bill should have a minimal financial impact on businesses because we make it clear that nothing in this bill requires the employer to compensate the employee for the thirty-minute meal break. However, it is my hope that Hawaii's employers will do so for their employees' best interests and for the good of labor-management relations.

"Mr. Speaker, your members assigned to Conference have also heard the arguments made by common carriers of passengers, power generating utilities, and the operators of continuously operational facilities regulated by environmental permits. The continual operation of these businesses are not only vital for the continued growth and stability of our economy, but are also necessary for the health and welfare of our citizens. Accordingly, these types of businesses were excluded from the provisions of this bill.

"Lastly, I believe this is a good bill because it provides the employer the flexibility to work out a schedule that best fits the needs of both the employer and the employee. If an employee needs to leave work early to run errands, the employee can make arrangements with the employer to take the break at the end of the employee's shift. If the employer learns that there is a rush job that needs to be done in the middle of the day, the employer can make arrangements with the employee to have the employee take the break either before or after the rush job. Again, I must reiterate, most employers already do this.

"Over the years, there has been a lot of rhetoric heard in this chamber on how we have made Hawaii "anti-business". Taxes

are too high. There is too much regulation. Blah Blah Blah. And I'm sure there will be some who will say that this bill epitomizes this trend. To them I say this. The core of any business is the employee, and the better the employer treats the worker, the more productive, cost-effective, and efficient the employee, and ultimately the business, will be.

"I believe House Bill No. 29, Conference Draft 1, is fair, reasonable, and necessary. For these reasons, I respectfully urge my colleagues to support this important measure.

"Thank you."

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

"Thank you. In opposition. It is not good sound public policy to take businesses and divide them between those that are negotiating collective bargaining agreements and those that don't. This bill makes an exception for the larger businesses for government the people who were engaged in collective bargaining with their employees. It's basically a bill telling the government telling small business what to do. I don't believe this bill is based on any documented occasions of abuse. It is just somebody's idea as to something that ought to be there. But employers allow their employees to take meal breaks. They don't have to be ordered to do so by the Legislature. Thank you."

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

"In opposition please. I just think this kind of legislation is going to hinder small business. Common carriers, not carriers of people but carriers of goods. You are going to have trucks parked on the sides of the roads probably in hazardous areas, eating lunch. Truckers who would probably rather not eat their lunch at a stopped position. They can eat it on the run and get off work early and go visit with their families.

"As far as the expressing breast milk I think that should be addressed in another bill and not a lunch break bill. More than half of the employees are men that don't need to express breast milk and I think you are putting a hardship on them because of this. Thank you."

Representative Meyer rose to respond, stating:

"Thank you, Madame Speaker. I am rising for a second time on this issue. I just wanted to share an email that I received yesterday from a part-owner of the Wailana Coffee House. She says:

The Wailana Coffee House opposes this bill because it will underscore Hawaii's reputation as anti-business. This bill imposes unwarranted interference into an area that has always been subject to wide management discretion. We oppose this measure because of concern that future in legislation will alter this bill so that it becomes economically burdensome to businesses and increase the cost of doing business.

We have a 24-hour restaurant business and as is the policy and practice of many restaurants our employees are expected and encouraged to take a meal break during their work shift. Meal breaks are scheduled to fit the operation and the restaurant provides meals. Our concern is that future legislation will interfere with management operational decision and flexibility for employees to take meal breaks and impose penalties such as overtime pay for no meal breaks. Or meal breaks not taken within so many hours of work. The intent of this bill sounds caring but it is

frightening to think what the operational and financial consequences can be if unfriendly business changes are made to this bill or are written into the Administrative Rules. Thank you."

Representative M. Oshiro rose to respond, stating:

"Madame Speaker, I rise on a second time just to point out a few corrections to prior speakers' comments. I think people should look at page 8. Because that is the problem when you have canned speeches. At times it doesn't allow you to react to the actual discussion occurring on the floor. If one looks at page 8, lines 11 through 17, and I will read the language so you don't have to turn to your bill. It says:

"This subsection shall not apply to any employer who is either:

- (1) Subject to any collective bargaining agreement that expressly provides for employee meal breaks;
- (2) A common carrier by motor vehicle, that is like a tour bus or OTS, a contract carrier by motor vehicle, or a private carrier of property by motor vehicle as these terms as defined in chapter 271;..."

"So these are talking about carriers that carry human beings, people, and also property. Thank you."

Representative Bukoski rose to respond, stating:

"Short rebuttal. First of all, I never give canned speeches and I think that is by reference what the gentleman across the aisle was referring to.

"And I did read Chapter 271 and the definitions that are enclosed in the lines that he just mentioned on page 8. I can give several examples of things that may be in the gray area that wouldn't be covered under these definitions. One of which might be solid waste or waste disposal rubbish trucks is very gray. I don't know if you would I mean would you consider that property and whose property? I don't know it is kind of gray. So I don't think under this definition it would genuinely cover all the motor carriers and that is my concern. It is too gray and it doesn't cover all of the transportation industries. It does cover a good portion of them but not maybe not all of them.

"I also support mothers expressing breast milk during work hours. But the bill could have been written in a way to specifically request that and not make it generally across the board. So I think if this bill were a little bit more specifically written for breast milk, I would support it wholeheartedly. But the way it is written now, I can't support it because it affects industries across the board and in negative ways, and small businesses as well. Thank you."

Representative Fox rose to respond, stating:

"Thank you, Madame Speaker. We had a good response on subsection 2 as quoted by the Chair of Labor Committee. I want to respond to subsection 1, and basically you understand it this way, if you have got a labor union, things are great because the labor union is going to go in for you and you are going to get your meal break taking care of.

"On the other hand, if you are an employee in an organization that is not represented by a labor union, the government is going to tell that employer how to handle it. So the Wailana Coffee Shop, actually it penalizes you if you don't take a meal break. They charge you overtime for your failure to take a meal break. That has been negotiated within the

organization. Now the government comes in and says, "No, no. This is how you've got to do it." That is what we are objecting to.

"If you are represented by a labor union, you are fine. You are exempted. If you've got a situation where non-labor union employees are working it out with the employer and they have taken care of the meal break situation, this law just kind of crashes through the door and says, "No, no. This is how you are going to do it. From now on you are going to handle your meal breaks this way." That is what we object to.

"How come its okay if a union is taking care of a situation to exempt the business, but if there is no union in the picture we deny the possibility of the employer and the employee might have worked out a satisfactory arrangement. And tell them how to do it. We should vote this down, Madame Speaker. Thank you, Madame Speaker."

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

"Thank you. In opposition, and I'd like to ask that the comments made by the Representative from Laie and from Up Country Maui be inserted as my own. Small business is the backbone of our economy and I believe that this bill further deteriorates our reputation for supporting small business."

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

"I have brief comments in support of this measure Madame Speaker. Basically, I have two points. First I wanted to point out that the bill gives considerable discretion to the employer on the page 8 of the bill. It provides, that the employers not be required to compensate the employee for the meal break and the meal break time may actually be set at the discretion of the employer and the employee.

"The second point that I wanted to make is that the Administration also supports it. I wanted to note that the Department of Human Resources Development and the Department of Public Safety both testified in favor of this measure on February 18, 2003, and January 28, 2003, respectively. In fact it was the Department of Public Safety that requested that this bill be amended to provide for coverage of collective bargaining units. At no time whatsoever did the Administration voice any concern on the impact of this bill upon small business. Accordingly, I strongly support this measure. Thank you."

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

"Thank you very much, Madame Speaker. I rise in support of this measure. The comments on this bill, other states, California, Oregon, Washington, and so on have already adopted such a law. If people read the bill carefully, and that is always a danger in efforts like this, on page 8, this subsection does not apply to any employer who is either subject to any collective bargaining agreement that expressly provides for employee meal breaks. In other words Madame Speaker, if you have a collective bargaining agreement, but it does not include a meal break, then this law would apply to you even though you are represented by a union.

"Secondly, I hear the concerns express by our previous speaker about what the potential impact of this bill might be but we can only deal with the measure before us. So fears about whether or not it may be mandated in the future, that you have to pay overtime and all of that, I think are groundless fears at

this point. Because again, we can only vote on the measure before us. Thank you, Madame Speaker."

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

Representative Finnegan's written remarks are as follows:

"Madame Speaker, I rise in opposition to C.C.R. 4, H.B. 29, H.D. 1, S.D. 1, C.D. 1. I will keep my remarks my brief, as I know previous speakers have already touched on the problems with this bill.

"My own concerns center on the fact that this measure is yet another unnecessary and intrusive interference in the businesses of our state. If this bill becomes law, businesses will no longer have the ability to negotiate the best break schedule for their employees – they will instead be obliged to do so within the confines proposed here. Indeed, the bill also effectively limits the ability of employees to negotiate with employers on when they take their breaks – giving up a lunch break in exchange for being able to leave early, for example. While the bill does give some exemptions, they seem to be rather haphazard. Nor do they include a small business exemption, which would make this bill easier for Hawaii's business community. The Representative from Laie gave us the example of the Wailana Coffee House, whose business would be severely hurt by law such as this, in arguing the need for a small business exemption.

"I would also like to make brief mention of the breastfeeding clause in this bill. I am a strong supporter of the right of women to breastfeed or pump milk at their workplace. The health benefits of breast milk are well known, and I believe that we should support working women who want to feed their infant breast milk. But that issue should be kept separate from the issue of legislatively mandating meal breaks. The two issues should not have been combined into one bill, as has been done here.

"Thank you, Madame Speaker."

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

"I just wanted to point out that the backbone of our economy are working people. I'm in favor. And as I read the bill, the employer and the employee can work it out when the meal break is taken. It could be at the end of the shift, and that way the person can go home early. Thank you."

Representative Jernigan rose to respond, stating:

"Brief rebuttal. I read what the previous speaker is talking about, at the end of the shift. But it says during the shift, so I think the end of the shift is not during the shift. 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. 29, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MEAL BREAKS," passed Final Reading by a vote of 35 ayes to 16 noes, with Representatives Blundell, Bukoski, Ching, Evans, Finnegan, Fox, Halford, Jernigan, Leong, Marumoto, Meyer, Moses, Ontai, Pendleton, Stonebraker and Thielen voting no.

Conf. Com. Rep. No. 5 and H.B. No. 1157, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee

was adopted and H.B. No. 1157, SD 2, 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. 6 and H.B. No. 1285, HD 1, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that H.B. No. 1285, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative Lee.

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

"Madame Speaker, since we did return to Conference Committee Report No. 6, brief comments in support. Currently, penalties can be levied only on people who secure a permit as they proceed to grade a piece of property. What this bill does is to cover a loophole because someone can grade a property without securing a permit and a penalty cannot be levied. The penalty can only be levied if someone takes out a permit and fails to fulfill the conditions stipulated in the permit. So if no permit is taken, no fines are levied. So this primarily addresses that loophole. 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. 1285, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HISTORIC SITES," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 7 and H.B. No. 426, HD 1, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that H.B. No. 426, HD 1, SD 2, CD 1 pass Final Reading, seconded by Representative Lee.

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

"Thank you, Madame Speaker. I wish to speak in strong support with brief comments. This bill would provide a process a very fair process, which would then enable a lessee, in this case the owner of the Aloha Beach Resort to secure financing to affect improvements to the property so the hotel can be viably competitive as a visitor destination.

"Specifically, this bill would enable a lease to be renewed and extended under certain conditions and those conditions would call for an option so that any other bidders for that property can express the wish to do so. Should the existing lessee not be the highest bidder or the winning bidder, then the successful bidder would pay the existing lessee the current fair market value for the improvements on the property. If the existing lessee is the successful bidder, then they would negotiate on the current fair market value as appraised. So it does address some other concerns such as the assignment of premium.

"While some may say that this bill is not necessary because negotiations have been taking place, we're at the same spot now as we were a year ago. And we did not move on the bill because at that time it was stated that negotiations were in progress and that everything will be taken care of. So we really do need this bill and while it is applicable only to the Aloha Beach Resort, it does offer a model which can be employed by other lessees of properties that provide other uses as well,

besides hotels, commercial or even farming. Thank you very much."

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

Representative Kawakami's written remarks are as follows:

"Mr. Speaker, I rise in support of HB 426, HD 1, SD 2, CD 1, Relating to Public Lands.

"This bill directs the Department of Land and Natural Resources to issue new leases to the existing lessees of public lands for hotel uses situated at Wailua and Lihue, Kauai. The hotels would like to revitalize and redevelop the improvements associated with their leases, but such financing requires longer lease terms than are available to the lessees under their existing leases or by extension of the term of the leases. Our hotels on Kauai have undergone so many setbacks, the major one being Hurricane Iniki, and we need to assist them to continue their business operations on Kauai.

"I ask my colleagues to support this bill so that it can be one of the ways to revitalize the economy of our island of Kauai."

"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. 426, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC LANDS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 8 and H.B. No. 564, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 564, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PROMOTION OF CONTROLLED SUBSTANCES," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 9 and H.B. No. 980, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 980, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CIVIL SETTLEMENTS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 10 and H.B. No. 1217, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1217, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONTROLLED SUBSTANCES," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 11 and H.B. No. 135, HD 1, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that H.B. No. 135, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative Lee.

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

"I'm rising in support. I just wanted to say little bit about what international matchmaking organizations are. They really act as referral services for clients from the United States who wish to meet foreign citizens, socially. Sometimes the allure of association with American citizens leads to poor decision-making on the part of foreigners who are generally not granted access by the International Matchmaking Organization for the marital or criminal history of the person they are being put in contact with. This has resulted in cases of domestic abuse, and in Washington State, in cases of murder. So this bill is going to enable foreign recruits of international matchmaking organizations to have access to these records.

"This actually is a really important bill for us, although it is very a small part of the whole trafficking of human beings issue. I am very excited about it. We are the second state in the nation to pass such a bill. And it comes right before May 7th when the first meeting of the Hawaii Taskforce on The Trafficking of Persons will meet. And that will involve people from the University, law enforcement, the federal and State government. So I think we can look forward to more things coming out of that, which will help us understand what a big problem the trafficking of persons is here in our State and in the world."

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

"In opposition. I think this bill is well intended and I understand why it was done. My problem is sharing records of our citizens with foreigners. And the safeguards that might not be in place to protect those citizens. Thank you."

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

"Thank you, Madame Speaker. I am standing in strong support of this bill. The federal protection laws that were referred to in the bill is really useless. I've tried to use that in defense of these victims of these predators. This is actually an anti-predatory bill. That is how I look at this. Matchmaking in itself is not really bad, but it should be done by your mother or somebody that is close to you. When it becomes a business, it becomes a trafficking of human beings. Although the measure only allows for small, slight, information, this information is vital. Using only these, I still have to call them victims of their circumstance, and the victims and the reason why they have to resort to these things to better their lives.

"For whatever reason, I see these matches that they are called, as victims. The measure only requests that they be provided with information regarding the proposed person, the person requesting for them to the United States, to provide information regarding their criminal background. I don't think that is too much to ask. I would also add, what if it was easy to pass such legislation to let it include other information. Probably including not only their criminal activity, but really their financial backgrounds. That is something that is not included in there.

"I feel strongly about this because I did have to defend a particular person that is a relative of mine from the Philippines. This person who ordered her here through these organizations didn't provide them with anything but the promise to say, "Hey, I am an American citizen. Come and marry me." You know what? They don't really have a choice. Maybe despite what we do, they will do it. I mean they will come and try out their luck because they 'throw the dice' out there. They gamble. They

say, "Well, maybe if I do take this chance, I make this self-sacrifice, my family will be able to get there."

"It is unfortunate that we can only do so little. But please support this bill. It at least provides these potential victims with some information so that they can decide if it is truly worth it. Is it truly worth becoming an American citizen under these kinds of circumstances? When the potential person that you are about to marry happens to be a drunk? Happens to be a drunk who beat up previous wives? Happens to be someone who ordered wives before and is coming in for the second or third time? Thank you very much."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 135, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INTERNATIONAL MATCHMAKING ORGANIZATIONS," passed Final Reading by a vote of 49 ayes to 2 noes, with Representatives Jernigan and Ontai voting no.

The Chair directed the Clerk to note that H.B. Nos. 595, HD 1, SD 1, CD 1; 29, HD 1, SD 1, CD 1; 1157, SD 2, CD 1; 1285, HD 1, SD 1, CD 1; 426, HD 1, SD 2, CD 1; 564, SD 1, CD 1; 980, HD 1, SD 1, CD 1; 1217, HD 1, SD 1, CD 1; and 135, HD 1, SD 1, CD 1; had passed Final Reading at 1:31 o'clock p.m.

Conf. Com. Rep. No. 12 and H.B. No. 373, HD 2, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that H.B. No. 373, HD 2, SD 1, CD 1 pass Final Reading, seconded by Representative Lee.

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

"Thank you, Madame Speaker. I am rising to speak against H.B. 373, the political speech. And only Madame Speaker, to one section of the bill. Madame Speaker, I think the bill is fine in that it allows people who are renting to post campaign signs during an election period. What I am concerned about, and what I believe the Outdoor Circle is concerned about, is the removal of the limitation on when you can place political signs in your yard. The way I read the bill, and please correct me if I am incorrect in my analysis of it. The way I read the bill is that campaign signs can be posted year-round in a person's residential yard. I think that is going to create quite a bit of sign-blithe throughout neighborhoods and throughout our State.

"I note that City and County ordinances already provide that signs advertising an event have to be removed within a certain time after the event is over. Possibly this bill and the language is really aiming at that authority and power to the county, and you would find that on page 9, lines 14 through 15, except where contrary to or prohibited by law.

"If the flipside of that is that the counties can enact ordinances to say there is going to be a reasonable period of time in which campaign signs can remain up, otherwise it is visual blight. I think that we ought to rethink this approach. As written the measure takes effect upon approval, and that would mean that this may, for an election to be held for more than a year away, we may have campaign signs sprouting up all over this State. I know the Outdoor Circle worked tremendously hard to prevent billboards from coming into the State. These are going to be really like a quasi-billboard for a political purpose, but I don't think its going to improve the quality of life or the visual beauty of our State. Thank you."

Representative B. Oshiro rose to speak in support of the measure, stating:

"Thank you, Madame Speaker. I rise in support. Just briefly. The reason that, that portion was deleted was based on the Attorney General's Opinion 96-04 where they declared this section unconstitutional. They said that it infringed on the First Amendment and therefore we couldn't leave it in the statutes anymore. Moreover they said it was unenforceable. So based off of that, we amended the bill and specifically in section 11 on page 9, we said that, "except where contrary to, or prohibited by law." So the previous speaker, when she talked about county ordinances, was exactly right. The counties can enact a constitutional ordinance then. They should have the ability to do so. However in this bill, in our provision, in our section of the law, we aren't able to meet the constitutional muster. Thank you."

Representative Thielen rose to respond, stating:

"Madame Speaker, there is some ability for us to have some reasonable time and place limitation on the signs. I don't think constitutional muster requires us to have 24 hours, 365 days a year political signs in people's front yards. So it just required more work. That is what I was saying is let's not pass the bill through. Let's work on it and come up with something that is reasonable. And take a look at other states and other counties. Where there are restrictions on the length of time that those signs can stay up. This is Hawaii and we ought to keep it beautiful."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 373, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO POLITICAL SPEECH," passed Final Reading by a vote of 38 ayes to 13 noes, with Representatives Blundell, Ching, Finnegan, Fox, Jernigan, Leong, Marumoto, Meyer, Moses, Ontai, Pendleton, Stonebraker and Thielen voting no.

Conf. Com. Rep. No. 13 and H.B. No. 287, HD 3, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that H.B. No. 287, HD 3, SD 2, CD 1 pass Final Reading, seconded by Representative Lee.

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

Representative Pendleton's written remarks are as follows:

"Mr. Speaker, I rise in strong support of Conference Committee Report 13, House Bill 287, House Draft 3, Senate Draft 2, Conference Draft 1 relating to public employees.

"This bill provides that public officials and public employees who have been convicted of a felony for conduct relating to their public office or duties shall be terminated upon conviction.

"This bill takes away benefits of office when the public trust is betrayed. This bill will make clear that we hold our elected officials to high standards.

"The purpose of this bill is to allow for the removal of a public official or termination of a public employee if the public official or the public employee is convicted of a felony related to their public office or duties.

"This bill also provides for reinstatement and back pay under certain circumstances, if the public employee's conviction is overturned and the employee is not otherwise terminated in accordance with any other provision of law.

"The term "public employee" means any public employee of the state or any county, and the political subdivisions and agencies thereof. Public office means an office held by an elected official, department head, officer, and member of any board, commission, or other State agency whose appointments are made by the governor, chief justice, office of Hawaiian Affairs, or the Judicial Selection Commission, or are required by law to be confirmed by the senate.

"The public office held at the time of conviction should be forfeited as of the date of conviction. The certificate of conviction should then be filed in the Office of the Lieutenant Governor who shall receive and file it as a public document. Time of conviction means the day upon which the person was found guilty of the charges by the trier of fact or determined to be guilty by the court.

"We as elected officials of the State are to set an example for others and I believe if the "public employee" is convicted of a felony or conduct related to the public employee's duties, the public employee should be terminated from his or her position.

"For these reasons, Mr. Speaker, I support of Conference Committee Report 13, House Bill 287, House Draft 3, Senate Draft 2, Conference Draft 1, that provides that public officials and public employees who have been convicted of a felony for conduct relating to their public office or duties, shall be terminated upon conviction. Thank you, Mr. Speaker."

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

Representative M. Oshiro's written remarks are as follows:

"Mr. Speaker, I rise to speak in favor of House Bill No. 287, Conference Draft 1.

"This bill would allow for the termination of a public employee if a public employee is convicted of a felony for conduct in violation of the employee's duties. It also provides for reinstatement and back pay should the public employee's conviction be overturned and the employee is not otherwise terminated in accordance with any other provision of law.

"Since the opening of the Legislature some fifty-nine days ago, both the Administration and this body have declared that ethics would be a major priority this session.

"A slew of bills were introduced to prevent government employees and elected officials from taking actions that may even appear to be improper by the general public. These measures, including this one, were a reaction to highly-publicized incidents that have taken place in recent years.

"Mr. Speaker, I have no problem with these types of bills. The record will show that I have been a strong supporter of measures that hold government employees, and in particular elected officials, to high ethical standards. I believe we are all public servants and thus must continually demonstrate our commitment toward respecting the positions we hold and deserve the public's trust.

"Yet, we must remind ourselves that all situations are never "black and white" and laws that establish inflexible boundaries may sometimes defeat the larger goals we strive to achieve.

"I believe House Bill No. 287, Conference Draft 1, is a good bill because it sends a clear signal to the public that government employees must be held accountable for breaches of their trust, and as such, upon a felony conviction for conduct in violation of the employee's duties, the employee should be terminated from his or her government job.

"But as we all know, we live under a system of laws that are administered by people. Human beings are not infallible and mistakes will sometimes be made.

"What would happen if an employee is wrongly convicted of a felony? Under this bill, if the conviction was based on "conduct in violation of the employee's duties", the employee would be terminated. But this bill would also provide restitution should the conviction be overturned and the employee is not otherwise terminated in accordance with law. The intent of this provision is to effect every reasonable effort to make the wronged employee whole.

"However, there may be instances in which a wrongly convicted person may not be made whole. In the case of an elected official who is wrongly convicted, the legislator will become disenfranchised from the legislator's constituency. The legislator's seat may be filled through a special election. In that scenario, there would be no way to fix the situation if there is a mistake made by our judicial system.

"If this happens, will the people's best interests be served? An entire community will no longer be represented by the person that was duly elected. An elected official's reputation will likely forever be tarnished.

"Again, let me emphasize that I strongly support this bill. I just think we need to be very careful whenever we enact laws like this so that innocent people will not be irreparably hurt by the mistakes of others.

"Also, in situations where it is questionable whether an employee's conviction is linked to the duties of the employee's job, language was placed into the bill to allow the employee the opportunity to contest the termination. However, to ensure that the employee does not utilize this as a second opportunity to contest a conviction, language was also placed into the bill that would establish a rebuttable presumption that the criminal conviction is just and proper cause for the employee's termination.

"I believe this is a fair and reasonable balance.

"For these reasons, I respectfully urge my colleagues to support this important measure.

"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. 287, HD 3, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYEES," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 14 and H.B. No. 1214, HD 2, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that H.B. No. 1214, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative Lee.

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

"Madame Speaker, I wish to speak in strong support of H.B. 1214, Limitations on Public Entity Liability in Actions Based Upon Duty to Warn of Natural Conditions.

"Madame Speaker and Members, H.B. 1214, is one of the most important bills of this Legislative Session. Similar to Act 190 in 1996, which provided for signage and immunity of public beach parks and the adjacent shorelines. This measure has three important purposes. The first is that it will protect the State from unjustified lawsuits and potential losses in multi millions of dollars.

"Second and equally important, this bill will promote public safety to signs appropriately worded and placed. The public, both residents and visitors alike who enjoy Hawaii's pristine and spectacular outdoors from coastline to mountain top, will be warned of natural hazards on trails being traversed.

"Third, the signs will inherently stress the need for all users of improved public lands to exercise good judgment and personal responsibility while enjoying their recreational pursuits.

"Madame Speaker, it is our responsibility as Legislators to ensure the safety of the public, as well as to protect Hawaii taxpayers' hard earned dollars from unwanted and unjustified lawsuit payments. Unfortunately, this bill is absolutely necessary because in our litigious society, there are many citizens will sue the State for injuries sustained while on public lands and there are attorneys all too eager to promote such actions.

"This bill will establish a Risk Assessment Working Group consisting of the following or the designees: the Chairperson of the Board of Land and Natural Resources, the mayors of each of the four counties, the Attorney General, and a person knowledgeable in warning sign design. The Risk Assessment Working Group shall provide consultation to the Board of Land and Natural Resources regarding the design and placement of warning signs, devices or systems on improved public lands. These signs warning of hazardous natural conditions on improved public lands shall be conclusively presumed to provide adequate legal warning and prevent lawsuits. This bill stipulates that the State or county shall have no duty to warn of natural dangerous conditions on unimproved lands.

"First of all, the public has no business on unimproved lands. Second, it would be unreasonable and a ridiculous nightmare to post signs on improved lands. And third, we do not want nor need the proliferation and blight of such signs on our landscape. And that would also result in justifiable criticism from residents and visitors. If the risk assessment group or Board of Land and Natural Resources authorizes the placement of the sign at an unimproved land location, the bill states that there is no duty to post signs at other unimproved land locations.

"An important feature of this bill is the sign and record keeping program which would document the date of each sign inspection and whether the sign inspected is in place free of vandalism and legible. Early drafts of this bill included frequency of such inspections and the timeframe in which missing, vandalized or illegible signs must be replaced. In its present form, these details will become a part of the rule making process, which is also a requirement of this bill.

"This measure also contains accident reporting and record keeping requirements, which shall be utilized by the Risk Assessment Working Group as part of this consultation responsibilities to the Board of Land and Natural Resources. There is also an annual reporting requirement to the Legislature, which includes the listing of all warning signs as

well as a consultation and recommendation of the Risk Assessment Group to the board.

"Finally Madame Speaker, this bill for an Act shall be repealed on June 30, 2008, a five-year sunset, to ensure that this important effort and the experiences gained will be subjected to formal legislative scrutiny. There are many agencies and individuals without whose help this bill would not be on today's agenda for Final vote. In particular, we need to recognize and thank Deputy Attorney General Charles Fell, Attorney General Mark Bennett, and the Conference Committee Co-chairs, Senator Lorraine Inouye and in particular, the brilliant Representative B. Oshiro. My thanks to Madame Speaker, and thanks to Mr. Speaker for their counsel and support."

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 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC LAND LIABILITY," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 15 and H.B. No. 1165, HD 2, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1165, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO BUSINESS REGISTRATION," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 16 and H.B. No. 10, HD 2, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that H.B. No. 10, HD 2, SD 1, CD 1 pass Final Reading, seconded by Representative Lee.

Representative Thielen rose in support of 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:

"It is overwhelming clear that a petroleum-based economy leaves us unnecessarily vulnerable in what has become a very grave and unpredictable international climate. Beyond extreme threats of violent conflict and large-scale power and fuel shortages, there are a number of much more tangible problems posed by Hawai'i's oil dependency. Simply put, fossil fuels pollute our environment and over-burden taxpayers every year in electric, gasoline, and health costs. It is absolutely critical that we all firmly commit to and invest in the renewable energy sector, as it will not only free us of our precarious reliance on imported fuels, but will expand our economy to provide new jobs and secure our standing as global leaders in sustainability.

"As we begin our move from fossil fuel dependency, I am certain that the best approach is an informed one, which ensures consumer choice. House Bill 10 will be a strong asset in this endeavor, requiring that retail suppliers of electricity annually disclose their use of renewable (solar, wind wave, etc.) versus non-renewable (oil, coal) sources in generating the electricity they sell to customers. Armed with this information, consumers may then place significant pressure on their energy providers to change the over-reliance on oil.

"HB 10 is a critical step in a multi-faced approach to move Hawai'i toward the development and implementation of our abundant renewable energy sources, an undertaking which is absolutely essential to Hawai'i's future.

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 10, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC UTILITIES," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 17 and H.B. No. 324, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 324, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DRIVER LICENSING," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 18 and H.B. No. 807, HD 2, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that H.B. No. 807, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative Lee.

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

Representative Pendleton's written remarks are as follows:

"Mr. Speaker, I rise in strong support of Conference Committee Report 18, House Bill 807, House Draft 2, Senate Draft 2, Committee Draft 1, relating to Chapter 291E of the Hawaii Revised Statutes.

"This measure establishes the status offense of habitually operating a vehicle while under the influence of an intoxicant. This measure also adds certain offenses to minors who continue to commit these offenses.

"There is a need to protect every person on the road, whether it is the driver, a passenger, or a pedestrian. Moreover, any person who commits the offense of driving under the influence of an intoxicant more than three times should be charged with a class C felony. But not only should there be regulations for those adults, but minors who commit the same offenses.

"First and foremost, I believe there is need to enhance the penalties against drivers who habitually drive under the influence of an intoxicant because not only are they harming themselves, but they are putting others in danger as well. The California Department of Alcohol and Drug Programs states that an alcohol-related motor vehicle crash kills someone every 33 minutes and injures someone every two minutes.

"There is no doubt in my mind that a person who habitually operates a vehicle while under the influence of an intoxicant is committing a dangerous act against fellow drivers and pedestrians.

"Secondly, a person who operates a vehicle while under the influence of an intoxicant more than three times should be charged with a class C felony. The conviction under this section is an indeterminate term of imprisonment of five years or a term of probation of five years, which I believe is appropriate for people that habitually repeat this offense.

"Finally, this bill also establishes additional protections for minors under the age of fifteen that are passengers in the vehicle. According to the California Department of Alcohol

and Drug Programs, 2,339 youths died in alcohol or drug related crashes in 2002 alone.

"For these reasons, Mr. Speaker, I support Conference Committee Report 49, House Bill 807, House Draft 2, Senate Draft 2, Committee Draft 1, relating to Chapter 291E of the Hawaii Revised Statutes that establishes a status offense of habitually operating a vehicle while under the influence of an intoxicant and adds certain offenses committed as a minor as prior offenses. And I urge all my colleagues to support this bill. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 807, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHAPTER 291E," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 19 and H.B. No. 298, HD 2, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that H.B. No. 298, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative Lee.

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

"In support. Just briefly Madame Speaker, if I may. With the implementation of this measure which is correctional facilities development of Halawa, I believe very strongly this will address the overcrowding of our prison system. In addition it will also address the concerns of the residents of that community. And with public implementation, definitely this will improve public safety or the safety of our residents in that neighborhood and the quality of life of our people.

"If I may add also that this State will hopefully be able to save some money since sending our prisoners to the mainland and also the safety of our prisoners on the mainland.

"So this is a very important bill, and thank you for the support of the leadership, of the Chair of the Public Safety Committee and his members. Thank you very much."

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

"In opposition. I am all for building new prisons but I don't see that this does anything that shifts the population of OCCC to Halawa. It doesn't build a new facility other than closing down OCCC and putting the prisoners somewhere else. So I don't see how it stops us from sending prisoners to the mainland, and I don't see how it provides more beds for prisoners overall. It just moves the facility from one place to another."

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

"I'd like the opposition remarks of the previous speaker to be included as if they were my own. He summarized the issue quite well," and the Chair "so ordered." (By reference only.)

Representative Fox continued, stating.

"I'd just like to also point out that this bill requires that the action take place by June 30, 2008. So not only does it mandate a shift in the population from one place to another but it says it must be done. This is really interfering with the Executive's prerogative to deal with the prison problem. We are about to get a new Public Safety Director. I am sure he is

going to address prison overcrowding. That is the main issue and this does not solve the issue it just shifts bodies from one place to another. Thank you."

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

Representative Finnegan's written remarks are as follows:

"Madame Speaker, I rise in opposition to C.C.R. 19, H.B. 298, H.D. 2, S.D. 2, C.D. 1. In my remarks on the Third Reading of this bill, I touched on the problems I had with it directing the Executive branch to use a particular site for a new prison. Those problems remain, and I still hold to the remarks I made on Third Reading.

"In these remarks, Madame Speaker, I would like to touch on a concern the local community has about this measure. I'll give you a little history. The local community has built a community pool near the proposed site. However, they have been told that the existing sewer system is unable to support actually filling this pool. Imagine their surprise, then, in finding out that the site is being examined for a new correctional facility. This bill requires that the prison be developed on the Halawa site. The local community has unanswered questions about why a site that does not have adequate sewer facilities to support a pool in the area is able to support a prison. They deserve to have those questions answered.

"We in the House deserve to know whether or not the sewer question was considered in selecting the Halawa site for the new prison. If it was not, then we could be locking the State into developing the new prison on a more expensive site because of a potential need to upgrade existing sewer facilities. In tight budgetary times, we should not be locking ourselves into a particular site that could turn out to be more expensive than other sites. That is why we need to leave the Administration the flexibility to develop the new prison on whatever site it deems most appropriate. This bill does not give the administration that flexibility, nor am I convinced that it has taken into account all potential cost implications. For these reasons, I oppose this measure.

"Thank you, Madame Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 298, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CORRECTIONAL FACILITIES," passed Final Reading by a vote of 36 ayes to 15 noes, with Representatives Blundell, Bukoski, Ching, Finnegan, Fox, Halford, Jernigan, Leong, Marumoto, Meyer, Moses, Ontai, B. Oshiro, Pendleton and Thielen voting no.

The Chair directed the Clerk to note that H.B. Nos. 373, HD 2, SD 1, CD 1; 287, HD 3, SD 2, CD 1; 1214, HD 2, SD 2, CD 1; 1165, HD 2, SD 1, CD 1; 10, HD 2, SD 1, CD 1; 324, HD 1, SD 1, CD 1; 807, HD 2, SD 2, CD 1; and 298, HD 2, SD 2, CD 1; had passed Final Reading at o'clock 1:46 p.m.

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

The House of Representatives reconvened at 2:45 o'clock p.m.

Conf. Com. Rep. No. 20 and H.B. No. 736, HD 1, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that H.B. No. 736, HD 1, SD 2, CD 1 pass Final Reading, seconded by Representative Ito.

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

"Yes, Madame Speaker. I'd like to speak in support of this measure, relating to professional and vocational licenses.

"Madame Speaker, I'd like to say that this measure is now been worked over by the Bar Association and the Committee, in terms of those students who borrowed loans and are defaulters and have not had expresses means of due process. So the bill has been worked over, so Madame Speaker and colleagues, I think this type of legislation is really crystal clear.

"Unfortunately, I am appalled at the number of former borrowers who treat these loans as a gift. For example, the State Higher Education Loan Fund has over 30% of its outstanding balance in default. In addition, the most widely used federal program, the Perkins Act, is handled locally by the University of Hawaii and has over \$16 million of loans in default. Thus the passage of this measure will act as a deterrent to defaulters who are fiscally, I would say, irresponsible, and do nothing to make amends. I ask my colleagues to support the measure which would allow more students to have loans to continue higher education. Thank you, Madame Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 736, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PROFESSIONAL AND VOCATIONAL LICENSES," passed Final Reading by a vote of 49 ayes and, with Representatives Bukoski and Takamine being excused.

Conf. Com. Rep. No. 21 and H.B. No. 133, HD 1, SD 3, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that H.B. No. 133, HD 1, SD 3, CD 1 pass Final Reading, seconded by Representative Ito.

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

"Thank you, Madame Speaker. I rise in opposition to the measure, Conference Committee Report No. 21, H.B. 133. Madame Speaker, I believe this bill did some very good things. One of the first things it did is that it made sure that we were going to create a safe haven for newborns that would be abandoned in trashcans. I myself talked with a few police officers. I asked them how often are babies abandoned in trashcans in our State, our great State of Hawaii? The answer by one police officer was it happens so rarely, I can't find any other words to say it. "Once in a blue moon." However, "once in a blue moon", I maintain, that is unacceptable.

"No child should be left in a trashcan. So because of that, I think this is good bill. Up until page 5 and that is where I depart. The reason I depart on this bill is because on page 5, line 14, it says that the hospital shall not inquire as to the identity of the mother or the person leaving the newborn. When we think of the child left in a trashcan. I think all of us, unless we are not really human beings, we are all compassionate and the first thing we want to do is say, "No, let's not let that happen." I know for me myself, I am often emotional about the concept, the vision, of a child in a trashcan. But when you start to think, and you project out what could happen, what I am going to contend is you are putting a couple

of hundred people, possibly, in the trashcan in a certain sense, should we allow this bill to pass as it is written.

"Because what this bill does is it allows for a mother to drop off a baby anonymously. We know that a profile of a typical mother who is going to be in this situation is probably someone who is young. She doesn't have a stable family background. She obviously probably is not aware of any law being a misdemeanor or not, or a felony or not. What she'll do is she'll drop off the baby. Maybe she is 15 and she will not give any information, medical history or whatnot.

"I contend that most of us, if any of us are members of ethnic organizations or associations, that identity and heritage are something that we hold dear. I would go so far as to say that it is our strength, particularly in Hawaii. Our strength when we can be a member of, in my case, the Lung Doo Society where you have to be able to prove that one of your ancestors come from the Lung Doo province. Or the Uchinanchu Association. Any of those associations are because you are aware of your own identity and your ethnicity. But if we allow mothers in their scared, or in their distrust situation to just willy-nilly drop off human beings and give them no identity, think 20 years in the future. You are applying for a college admissions application. The application asks you are you black, white, Asian, Pacific Islander. What are these young children to say? I am H.B. 133, Safe Place for Newborns. Is that what he or she is to say? He knows none of his family background and there is no safeguard put in place here. Not even a concern to find the identity of your parent or for that parent who now is not 15 any longer, a naïve 15 but a 30-40 year old. To find her beloved child, maybe it is her only child now. So for those reasons, as a few others I might add.

"I think even filling out a bus pass you may have to put your name and a few more details of information. I should hope for a newborn, and that they should be allowed to be given as much. But what really concerns me about this bill Madame Speaker, and I know this is the third time I've spoken on this measure ..."

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

Representative Ching continued, stating:

"With that in the good intentions of the drafters of this bill or the Committees of this bill, I look over some of the testimony that is here and as we all know, because we are all in Committees there is some of the recognizable names. The State Commission on the Status of Woman, Healthy Mothers. Interesting though, it is lacking some of the industry's organizations that deal with this on a day-to-day basis. What I like to refer to as, 'frontlinesmen'. People who really know what is going on out there. Adopt International, Casey Family Program, Catholic Services to Families. There are a number of adoptees that go through the Catholic Services. Child Family Services, Crown Child Placement Services, LDS Family Services, Queen Liliuokalani Children's Center, Adoption Circle of Hawaii, Adoption Connection, HAPA (Hawaii Adoption and Permanency Alliance). None of these people testified on the bill. Probably because they didn't know about it.

"I contend that this bill has not been adequately handled with tender loving care and thought for those very children that we seek to protect. I don't think we've done our homework and we've asked enough of the input from those who have experienced it, every one of those people.

"Madame Speaker, I hope that this is not a conflict of interest too lately disclosed. I am one of them. I sat in adoption circle

meetings where child and mother alike have cried. This is one of the things that makes people who have not been adopted, who have not known their heritage, maybe not understand. But these people in these adoption circle meetings, it is the one thing in their life that they either find their mother or that this mother finds their child. When they do, it is just a world breaking experience. In fact, it is one of the best experiences anyone can ever go through. So to find your birth mother, or for a birth mother to find you, or a birth father for those of you. I would hope that we would consider that before allowing this measure to go forth written as it is. Thank you."

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

"Madame Speaker, I'd like to speak in favor of the measure. This measure was part of our Keiki Caucus package. I think that what it says is really paramount is a life of a child. Especially a child whose just born into the world. That has been the primary focus of this measure. But I sincerely appreciate the comments made by the Representative from Liliha because she has added that perspective to this measure. I think it is an issue that we need to look at. But for now, even though there are other issues that are also attached, other questions that can be raised regarding this measure as its effectiveness. Even if it saves one child, one newborn, I think it would be worth passing.

"But that is not to say that we shouldn't address some of the issues that were brought up by the Representative from Liliha. Hopefully we can also look at the experiences and see how effective it is if there are any problems in the future, if there are things that we need to correct in this measure. I think this is a great start and a great way to save lives. So I hope my colleagues will support this measure."

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

"Madame Speaker, because of the moving comments from the speaker from Liliha, I would like to vote for this measure, but with reservations."

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

"Madame Speaker, I rise in opposition to this measure. Because of the good intentions of this bill, I have supported it all along, but I've finally been persuaded by one of the previous speakers to oppose it. My primary concern has to do with the ethnicity issue. I find that there may in fact be a compelling public policy reason to allow people in that unfortunate situation to be able to know definitely what their ethnicity is. Say for example, if a person is of Hawaiian decent, he or she as he or she grows up may be entitled to certain kinds of things from the State of Hawaii, but may never be able to exercise those rights because he or she has never found out that Hawaiian blood is in one's veins.

"Same thing may occur if a person says of a certain type of ethnicity that has certain propensities for certain kind of health conditions. Whether one is Filipino and diabetes or heart disease ought to be a concern. Or Jewish and Tay-Sachs ought to be a concern. And African Americans and sickle cell is something someone watches out for. The kind of information that a physician may need may not be available if that particular piece of important personal history is not revealed to that person. I am not sure that a person would say I am going to throw this unwanted child away because they are going to request of me what my ethnicity is. That might be something that we could ask for. It is going to jeopardize the ability of

providing for a safe haven for these children who are unwanted but who are so precious.

"So as I vote no on this measure, I'd like to urge all the decisionmakers to look at this particular issue, maybe we could take into consideration the comments made by the Representative from Liliha, and look at the issue in the future. Thank you."

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

"Thank you very much, Madame Speaker. I am standing in support. I listened to the debate so far, the comments from the Representative from Kailua, as well as the comments from the Representative from Liliha. They are moving. But we have to put things into perspective first life, then ethnicity. I think it should go into that order.

"What good is ethnicity to anyone that is dead. Hopefully it will not happen. Hopefully this bill will help to save at least one life. Hopefully then we can also address the other issues after this person is saved. Thank you."

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

"Thank you, Madame Speaker. I speak in favor of this bill. To me it is very important for people to understand that a life is far more important than knowing your ethnicity. At that moment, at that time, we have to consider saving the child and I know of several instances where young people don't really, they want to just give up this baby but they are afraid to give it up. They are embarrassed about it all, and that is why we say we don't have find out who left the baby. The important thing is to have a safe haven for this baby.

"When the baby is adopted, which is what we hope would happen. When that baby is adopted, those parents would give their child everything they can, if they really want that child. This happens in most cases. So to forsake it and not say that we don't want to take in a child because you haven't asked the ethnicity and the parenthood and all of that, to me that is unimportant. What is really important is to make sure we save the life of that child. Thank you."

At 3:00 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 3:01 o'clock p.m.

Representative Ching rose to respond, stating:

"I am sorry. In great respect to my colleagues here, but in brief rebuttal. It is not that I am advocating for children not to be left at hospitals. I am asking just for even a sheet the size of this, to give the child some sort of identity when you drop them off. Just maybe the social security of the mother. As the Representative from the Windward said, ethnicity. Just some sort of clue so that the child is not left hanging as an anonymous number, going through life anonymously.

"I am all for making sure children are adopted if they are not wanted. But also what I wanted to ask is, have we considered the thought, do these individuals that leave children in trashcans, have we done a little homework? Are they the type who are aware of laws and utilize laws and even are aware that it was a misdemeanor at some point? Or are we still just going to have the worst of both worlds. Children left in trashcans and children anonymous all over the world."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 133, HD 1, SD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHILD PROTECTION," passed Final Reading by a vote of 44 ayes to 5 noes, with Representatives Ching, Jernigan, Meyer, Pendleton and Waters voting no and, with Representatives Bukoski and Takamine being excused.

Conf. Com. Rep. No. 22 and H.B. No. 562, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that H.B. No. 562, SD 1, CD 1 pass Final Reading, seconded by Representative Lee.

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

Representative Pendleton's written remarks are as follows:

"Mr. Speaker, I rise in strong support of Conference Committee Report 22, House Bill 562, Senate Draft 1, Conference Draft 1, which repeals the sunset clause of sections 707 730(1) and 707 732(1) of the Hawaii Revised Statutes and amends sections 846E-1-4, 6 of the Hawaii Revised Statutes.

"This bill would accomplish two important tasks in dealing with sex offenders. First, it would permanently raise the age of consent to at least 14 in cases of sexual assault for offenders fewer than 5 years older and not married to the minor. In addition, the bill also requires sex offenders to register with the county chief of police, thus reenacting Megan's Law in the State of Hawaii.

"I strongly support this bill because: 1) it provides additional and necessary protections for our keiki; 2) it brings Hawaii in sync with the rest of the nation; and 3) it makes our state's laws consistent with the United States Supreme Court's recent upholding of Megan's Law.

"In 2001, this Body voted to raise the age of consent in order to protect Hawaii's keiki from sexual predators. In June of this year, that Act will expire unless we pass this bill. Without this law, Hawaii's keiki will be able to have sexual relations with individuals twice their age yet not be able to attend rated R movies or drive legally. This paradox is unacceptable.

"Although parents have the final responsibility for ensuring the safety of their young daughters, the State has a responsibility to provide laws to protect all citizens, including vulnerable minors. If we allowed a young fourteen-year-old girl to date and have sexual relations with someone old enough to be her father, we would be failing to do our jobs as public servants.

"We have the duty and privilege of being able to protect the people of Hawaii and do what is in their best interests. Sometimes this requires putting additional safeguards on certain vulnerable groups, including minors.

"Megan's Law is another example of a heightened protection Hawaii's keiki deserve to have. This law would require all sex offenders who remain in this State for longer than ten days or an aggregate of over 30 days a year to register. Parents have the right to know if their neighbors are former sex offenders in order to be able to protect their children from possible harm.

"Second, if we allow the age of consent law to expire, we will once again have the lowest age of consent in the nation. In addition, the vast majority of states have versions of Megan's

Law. We cannot afford to fall behind the other states in either of these areas.

"Third and finally, the second part of this law would make our state's laws consistent with the recent United States Supreme Court's decision concerning Megan's Law. The Supreme Court held in *Connecticut Department of Public Safety v. Doe* that a sex offender's current non-dangerous status is irrelevant to a statute which requires all sex offenders to register. Due process does not entitle a registered individual to a hearing to establish an immaterial fact in relation to the statute. Even if a hearing proved a sex offender's non-dangerous status, that individual would still be required to register under the statute.

"Under the United States Supreme Court's holding, Megan's Law does not infringe upon the sex offender's due process rights and therefore gives us the freedom to re-enact Megan's Law.

"I would also like to note the bill's severability clause. This clause is extremely important because this bill deals with two issues under the broader umbrella of sex offenders. Should the court strike down one provision, the other provision remains in effect.

"For these reasons, Mr. Speaker, I strongly support House Bill 562, Senate Draft 1, Conference Draft 1, which repeals the sunset clause of sections 707 730(1) and 707 732(1) of the Hawaii Revised Statutes and amends sections 846E-1-4, 6 of the Hawaii Revised Statutes. And I urge all of my colleagues to also oppose its passage. Thank you, Mr. Speaker."

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

"I also would like to have permission to insert remarks in the Journal on Conference Committee Report No. 22. Strong support of that. I am very pleased with the way it came out of Conference. The important thing there was the age of consent. Being made permanent and getting rid of the sunset date, which was very good."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 562, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SEXUAL ASSAULT," passed Final Reading by a vote of 49 ayes and, with Representatives Bukoski and Takamine being excused.

Conf. Com. Rep. No. 23 and H.B. No. 1010, HD 1, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Ito and carried, 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 USE OF INTOXICANTS," passed Final Reading by a vote of 49 ayes and, with Representatives Bukoski and Takamine being excused.

Conf. Com. Rep. No. 24 and H.B. No. 1230, HD 1, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Ito and carried, the report of the Committee was adopted and H.B. No. 1230, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TRANSPORTATION," passed Final Reading by a vote of 48 ayes to 1 no, with

Representative Hiraki voting no, and with Representatives Bukoski and Takamine being excused.

Conf. Com. Rep. No. 25 and H.B. No. 1154, HD 1, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Ito and carried, the report of the Committee was adopted and H.B. No. 1154, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO UNCLAIMED PROPERTY," passed Final Reading by a vote of 49 ayes and, with Representatives Bukoski and Takamine being excused.

Conf. Com. Rep. No. 26 and H.B. No. 422, HD 2, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Ito and carried, the report of the Committee was adopted and H.B. No. 422, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO A CENTER FOR NURSING," passed Final Reading by a vote of 48 ayes to 1 no, with Representative Evans voting no, and with Representatives Bukoski and Takamine being excused.

Conf. Com. Rep. No. 27 and H.B. No. 320, HD 2, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Ito and carried, the report of the Committee was adopted and H.B. No. 320, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO RISK MANAGEMENT," passed Final Reading by a vote of 46 ayes to 3 noes, with Representatives Jernigan, Meyer and Stonebraker voting no and, with Representatives Bukoski and Takamine being excused.

The Chair directed the Clerk to note that H.B. Nos. 736, HD 1, SD 2, CD 1; 133, HD 1, SD 3, CD 1; 562, SD 1, CD 1; 1010, HD 1, SD 2, CD 1; 1230, HD 1, SD 2, CD 1; 1154, HD 1, SD 2, CD 1; 422, HD 2, SD 2, CD 1; and 320, HD 2, SD 1, CD 1; had passed Final Reading at 3:05 o'clock p.m.

Conf. Com. Rep. No. 28 and H.B. No. 968, HD 1, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that H.B. No. 968, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative Lee.

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

"Thank you, Madame Speaker. I rise in opposition to this bill. This bill would allow an unemployed individual to collect the full weekly unemployment benefit amount without deducting any wages that the individual might earn. One of the unintended consequences of this bill is that a full-time worker who is laid off could get a part-time job and still collect his or her full unemployment benefit. By working part-time and collecting the full unemployment benefit this individual could have an income comparable to a full-time job. By passing this bill we would be encouraging workers to avoid seeking full-time employment and to remain dependent under unemployment benefit.

"We in the Legislature need to act with a long-term best interest of all of the people in Hawaii in mind. Increased levels of benefits could not be maintained without raising taxes for

employers. The State Department of Labor and Industrial Relations estimates that implementing this proposal could cost \$800,000 per month. Which is a 7% increase in benefits. At times like this, when profit margins for local businesses are thin, raising taxes on employers will force some businesses to lay off employees. Which compounds the problems we were trying to mediate. We must remember while it might feel good to pass legislation that benefits those employees that were unfortunate enough to be laid off, we won't be doing the people of Hawaii any favors if this legislation places another burden on businesses.

"We want to avoid additional taxes on businesses because they are already over burden. It is businesses that are making a profit that creates jobs that allow people to support their families. Part of our job here in the Legislature is to insure that there is a safety net to protect the people of Hawaii when they fall on hard times. However we must remember that it is private businesses that create the jobs and the wealth that actually creates that safety net. I encourage my colleagues to use prudence when making decisions about the safety net. If we stretch the safety net too far we will tear it and we will be worse off. And so it is for this reason that I ask my colleagues to join me in opposing this bill. Thank you, Madame Speaker."

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

"Madame Speaker, I rise in opposition to this measure. Madame Speaker, I am opposed to this measure not because I lack compassion for those who may lose their work, but precisely and specifically because of the loophole that the previous speaker, the lady from Aina Haina, mentioned. That surely is inadvertent. I don't think there is anyone in this Chamber who believes it is a good thing for us to create a system whereby there is an incentive not to go and get another replacement full-time job. But instead to pick up the unemployment compensation and get a part-time job, which ends up netting more than what you had before with the full-time job. I think clearly that is an unintended loophole.

"If the other side wants to say that is not the case, it is not possible, then I am willing to listen to that. But as I read the measure, it seems that is a loophole that is clear from this particular text. So that is why I oppose this measure and also I would ask to be able to insert additional remarks. Thank you," and the Chair "so ordered."

Representative Pendleton's written remarks are as follows:

"Mr. Speaker, I rise in strong opposition of Conference Committee 28 House Bill 968, House Draft 1, Senate Draft 1, Conference Draft 1, relating to unemployment benefits.

"This measure seeks to amend section 383-23, Hawaii Revised Statutes. The amendment would permit claimants who are deemed "unemployed" to receive their full unemployment insurance weekly benefit amounts without regard to earnings received from employment.

"I do believe that we should help the unemployed. We should motivate them to want to work. If this bill should become law, it would discourage unemployed persons from seeking permanent full-time jobs because it would eliminate their unemployment eligibility.

"This bill would add new regulations and/or other impediments that are seen as anti-business. This bill would also increase the cost and size of government. This measure rewards those who seek part-time employment to their determined weekly benefit amount.

"According to testimony submitted in opposition by the Department of Labor and Industrial Relations: "The major objective of the unemployment issuance system is to provide jobless workers with the means of getting them through a temporary period of unemployment without having to turn to welfare or face a needs test. Since Hawaii's unemployment issuance currently replaces 62% of former wages (most states replace only 50%), it will be possible for individuals to receive double, or 124% of their prior earnings with this measure.

"For these reasons, Mr. Speaker, I oppose House Bill 968, House Draft 1, Senate Draft 1, Conference Draft 1, relating to unemployment benefits. I urge my colleagues to reconsider the unintended consequences of this measure and vote against it. Thank you, Mr. Speaker."

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

"Madame Speaker, I rise in opposition to this measure. And my opposition is quite different from the previous speakers. I think there is a retroactive provision in this measure, which allows people to collect to January, and I think if that is the case then the Department may be sending out checks to these people who never expected to receive unemployment compensation. I actually am not that opposed to people collecting unemployment compensation because I feel there is so much money in the UI Fund, probably in excess of \$300 million, and that is a lot of money that is tied up and not into our economy. I think the amount that triggers increased taxes should be far lower. Maybe by \$100 million. I think it would be safe enough to allow the amount to go down to just arbitrarily, say \$200 million before it triggers an increase in the tax rate. I realize that this is another UI bill that we are looking at which freezes the tax at the D Schedule so it will not increase taxes at this time. But I think we should realize that as the amount comes down, it can automatically trigger rate increases and this is a very onerous tax being a percentage of payroll. So I would like to see that lowered.

"I'd like to see the Fund emptied and the money come into the economy. My understanding of it is the only way that we can realize that money is through people collecting unemployment compensation, for owner employees to collect it, is if they go out of business. So I have a very strange reason for voting no on this, but this is my particular feeling on this issue. Thank you very much."

Representative M. Oshiro rose to speak in support of the measure, stating:

"Madame Speaker, rise in strong support and I ask that my written comments be submitted to the Journal. But I'd just like to make two points to clarify some of the concerns of the prior speakers," and the Chair "so ordered."

Representative M. Oshiro continued, stating:

"First of all, this measure is effective upon approval, and the language that pertains to this allowance of the offset provisions currently in law, is effective for weeks beginning January 21, 2003 and thereafter. So it wouldn't apply retroactively.

"I think the point that needs to be stressed Madame Speaker, and I will disclose that I speak from personal experience. I don't know how many people who are now in this Chamber have ever been unemployed, specifically to this measure, who have been unemployed and had to avail themselves of the State unemployment system. I am one of those individuals who both went through the system and benefited from having this ability to go and submit and collect unemployment. This is the time when I left the University of Hawaii and began work as a full-

time paid adult. Let me tell you Madame Speaker, it is no fun going down to the unemployment office on a weekly basis and accounting for your time and your all the different calls you had to make and all the different job interviews you had to make. And all the different inquiries you had to make both in person and on the telephone to seek employment. So for anyone to think that being on unemployment and getting a free check is fun, they should understand that it is certainly not. It is a major inconvenience. I don't think anyone intentionally stays on unemployment.

"This measure addresses the situation where right now, it could create a disincentive for those who can maintain two part-time jobs. I'd like to ask that my remaining remarks be submitted with written comments into the Journal. Thank you."

Representative M. Oshiro's written remarks are as follows:

"Mr. Speaker, I rise to speak in favor of House Bill No. 968, Conference Draft 1.

"This bill would encourage eligible claimants of unemployment insurance to seek gainful employment by permitting claimants to receive their weekly benefit amount without regard to earnings received from other employment.

"In response to the conflict between the United States and Iraq and the impacts it has had on our economy, your Committee on Labor and Public Employment has worked on a package of legislation intended to provide assistance to citizens who will likely be impacted by an economic slow-down.

"House Bill No. 968, Conference Draft 1, is part of this package.

"Under current law, if an employee who works more than one job is laid off from one source of employment, the amount of unemployment insurance benefits the employee receives is offset by the amount of income the employee receives from the other job, less \$50.

"For example, Mr. Pat Ledezma worked one job and made \$480 per week. Following September 11th, Mr. Ledezma lost his only job. Mr. Ledezma applied for unemployment insurance and received a weekly benefit amount of \$298 per week, or 62 percent of what he had previously earned.

"Now Ms. Patricia Aki worked two jobs with a total income of \$480 per week -- the same amount as what Mr. Ledezma had earned. For Ms. Aki's main job, she earned \$360 per week and in her second job, she earned \$120 per week. After September 11th, Ms. Aki lost her main job. She applied for unemployment insurance and was entitled to a qualified benefit of \$223 or 62% of her earnings from her main job. However, from the \$223, the Department of Labor and Industrial Relations subtracted the offset or the total income received from the second job, which was \$120 per week minus \$50. With the offset, Ms. Aki's adjusted UI benefit came out to \$153 per week. When you add back her wages from the second job, Ms. Aki's total take home pay came out to \$273, or \$25 less than what Mr. Ledezma received from his UI benefit.

"When you stop and think about it, there is something wrong with this. Prior to being laid off, Ms. Aki made the same amount in take home pay as Mr. Ledezma. Yet after being laid off, Ms. Aki's take home pay was \$25 less than Mr. Ledezma's and Ms. Aki worked an additional 20 hours per week than Mr. Ledezma since her second job was a part time job.

"In other words, under the present law, Ms. Aki had to work 20 more hours than Mr. Ledezma for less money than what Mr. Ledezma received for not working at all.

"Both Mr. Ledezma and Ms. Aki are real people, and the scenarios described actually occurred.

"In my effort to better understand this situation, I had staff consult with representatives from Local 5 to answer certain questions that came to mind.

"First, who would this bill really impact? Because the constant amount in UI offset mechanism -- the \$50 requirement -- is so small, the current law has the greatest impact on those workers who work more than one job on a part-time basis at or near the minimum wage.

"According to Local 5 representatives, there are at least 5,000 of their members who fit into this category. These employees work as housekeepers, dishwashers, pantry workers, cooks, front office personnel, phone operators, reservation clerks, maintenance clerks, and bell services attendants.

"Keep in mind that Local 5 makes up less than 30 percent of Hawaii's visitor industry. Projected upon the entire visitor industry, the problem with the offset mechanism would have the most negative impact on a group of employees that number 17,000 workers throughout the State.

"Second, besides the hotels, what other types of businesses within the visitor industry would be impacted the greatest by the UI offset problem? According to staff and Local 5, these include tour operators, tourist attractions, restaurants, transportation services, such as buses and taxis, and retailers.

"Third, how would the problem with the UI offset impact communities on a demographic basis? According to staff and Local 5, this problem would seem to have its greatest impact on the Neighbor Islands where hotels and the hospitality industry make up some of the largest employers on certain islands.

"Fourth, understanding that any impact on one industry will have a multiplier effect on all other ancillary industries, what other supportive industries and businesses could be negatively impacted by the UI offset problem? Local 5 and staff came up with a list that included suppliers, distributors, wholesalers, delivery service providers, construction workers, banking and finance service providers, and entertainment providers.

"Since most employment in our State is service oriented, it is evident that should there be massive lay-offs resulting from a downturn in our economy caused by war with Iraq, every facet of our island society would be impacted by the UI offset problem.

"In summary, if the tragic events of September 11th taught us anything, it was the need to prepare for the inevitable economic impacts world crises ("cry seas") have on the State. War with Iraq will likely cause us to face additional lay-offs, bankruptcies, and hardship for our families, friends, and neighbors. To ensure the health, welfare, and safety of our entire State, we must provide immediate and desperately needed relief to our citizens.

"For these reasons, I respectfully urge your favorable consideration of this important measure.

"Thank you."

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

"In opposition, and for the record, I have been on unemployment as well, thank you."

Representative Lee rose in support of the measure and asked that the remarks of Representative M. Oshiro be entered in the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Pendleton rose to respond, stating:

"Madame Speaker, continuing in opposition. It is not that I don't care about those people. I have found myself in that situation when I first moved over here. I found myself in a situation where there was no employment and what I did was I went to a staffing agency and worked all kinds of jobs until I found steady work because I wanted to use that as the first option before drawing down from an account since I had an able body and I could work. I didn't necessarily have to work in the law, and so that was the option that I did, and in a few weeks I was able to find work more suited to my training.

"But again, what I want to say, and what the gentlemen from Wahiawa hasn't addressed, is whether in fact there is this particular loophole, and if there is, we need to look at language to take care of that. Again I don't think that anyone is going to intentionally want to get fired so that he or she can go out and get a part-time job and couple that with benefits with this bill. And ultimately they end up netting as much, if not more, than what they had when they first started before they got laid off. No one is going to do that. But if we have a bill that has that loophole, clearly that is unintentional. I don't think that is our intention to make it so that people can get almost as much part-time work, coupled with these benefits as the full-time. Otherwise, economically you end up with incentives that aren't in the right direction. That is what the safety-net is supposed to do. So again, I haven't heard my loophole inquiry answered, and I continue to remain in opposition to this measure."

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

"Madame Speaker I rise in support of the measure. Very briefly Madame Speaker, there is some concern that I have that while all of this discussion about focusing in on the individual claimant and whether this bill is proper incentive or not, perhaps it is really looking at the tree and missing the forest.

"You know, the unemployment insurance law came about after the Depression because prior to that, there was no system. There was no system to act as a counter when there was an economic downturn. A downturn in the economic cycle and to allow workers who had lost their job, at least a means of continuing to look for employment. The whole purpose of the unemployment insurance law is to allow any worker, any family, for that period of time following which they lose their source of income, to be able to still pay for food. To be able to still pay the rent. To still be able to provide essentials for the family while continuing to look for some employment opportunity. That is the same purpose as our own State unemployment insurance law. And in fact our unemployment insurance law is tied to the federal system, and it has to be that way because if there is any departure from the federal system, we get hit with heavy penalties.

"And so when there is discussion about we should exhaust or have the money in the special fund be spent in our current economy, that goes to the very point for unemployment and that is that during the period when the person has lost their job is allowed. That unemployment money is addressing essentials. Is circulating through the economy. Is helping those businesses that continue to sell whatever they need to sell. And that is why in the State unemployment insurance law, when the various schedules were put into place, it was meant to be counter-cyclical. That is before we get into a downturn, it was supposed to build up enough a reserve so that in that

downturn we could impose the least burden on the businesses because that is at a point in time, when they could least afford any increases in any fixed cost, including unemployment insurance.

"This is the system that we have now. Therefore it is healthy, its good to have a healthy reserve for those times like post 9/11. Or other times when we know, whether it is because of SARS or anything else, people are going to be losing their jobs because that goes to the very heart of the reason for having the unemployment insurance law in the first place.

"I appreciate what the Chair of Labor has done in this measure because I think it does address equity considerations and it is consistent with the intent and purpose of the unemployment insurance law in the first place. Thank you, Madame Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 968, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO UNEMPLOYMENT BENEFITS," passed Final Reading by a vote of 36 ayes to 15 noes, with Representatives Blundell, Bukoski, Ching, Finnegan, Fox, Halford, Jernigan, Leong, Marumoto, Meyer, Moses, Ontai, Pendleton, Stonebraker and Thielen voting no.

Conf. Com. Rep. No. 29 and H.B. No. 1303, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1303, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE OFFICE OF HAWAIIAN AFFAIRS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 30 and H.B. No. 282, HD 2, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that H.B. No. 282, HD 2, SD 1, CD 1 pass Final Reading, seconded by Representative Lee.

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

"Thank you, Madame Speaker. In opposition. This bill in its original form enabled the Auditor to charge the departments for work done on those that you really get in trouble with the courts, if one branch of government charges another branch of government for work. So as I understand it, the bill has now been fixed so that the departments are required by this bill. The Fund then goes to pay the Auditor so this is a way to legally allow money to go from the Executive branch to the Legislative branch.

"The right thing to do is to fully support the Office of the Auditor, provide the Office of the Auditor the funds that the Auditor needs to perform her duties. That means we have to appropriate the money in the legislative budget since we support the Office of the Auditor, and I think that is the way to go forward. The money that is in the Executive branch for audits is there for a purpose. It is for the Executive branch to do the audits that the Executive branch needs to do. Thank you, Madame Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 282, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE AUDITOR," passed Final Reading by a vote of 48 ayes to

3 noes, with Representatives Fox, Meyer and Thielen voting no.

Conf. Com. Rep. No. 31 and H.B. No. 297, HD 2, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that H.B. No. 297, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative Lee.

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

"Thank you, Madame Speaker. I rise in very strong support of this bill. Madame Speaker, we have a ice epidemic in this State, and we need a meltdown. This bill turns up the heat on icehouses.

"The most important thing that this bill accomplished was to heighten the dialogue on this problem. Most of the law enforcement community opposed this bill from the very start. My support for this bill came from the people. It came from the ones that were feeling the pain of ice and how it impacted their communities. Allow me to talk again about Pono Javar. A 14 year-old from Pahala who testified before the House Judiciary Committee with tears streaming down his face. He described how ice had impacted his life, his family, his school, and his community. He said, "Come to Pahala. I will show you where the icehouse is." And the police say they have no evidence, yet a police officer lives in the house behind the icehouse.

"His mother, Debbie Javar, also in tears talked about her 21 year-old son, a former honor roll student at Kau High School. He got hooked on ice and he now has a mental capacity of a 5 year-old. "I have lost my son," said Debbie.

"Also testifying was John Santangelo, a former councilman from Big Island. He talked about his son, a Navy Veteran who got hooked on ice and how he walked \$10,000 worth of stuff out of their house to feed his habit.

"I was in Waiohinu State Park one day, and I ran into a Hawaiian lady in a van, and while talking to her I asked her about drugs. With tears in her eyes, she said to me, "The two children in the back are my grandchildren. My daughter is on ice. My son is on ice. And I don't know where I went wrong. And I've lost everything including my home, and I don't know where to turn."

"These stories go on, and on, and on. And while we have worked on this bill, we've had one group on our side and that is the many families that have been impacted by ice. There was a recent shooting in Naalehu and an aide to Mayor Kim went out to meet with the community and every single community member told him, "We have completely lost confidence in the police to solve this problem." Ice is everywhere. And it is everyone's problem.

"The other day I was talking to a well-known lobbyist here in the Capitol that all of you know. We talked about ice, and with tears in his eyes he told me that his 35 year-old daughter is on ice and that the family is torn apart.

"The AG told me that with this bill, he intends to seek-out the icehouses, close them down, and seize the assets. To Pono and Debbie Javar, that lady in Waiohinu, to that lobbyist, to all those people in Kau, this bill is for you. Thank you."

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

"Thank you very much. Madame Speaker, I have to rise with some very strong reservations. H.B. 297, 'Relating to Drugs' has undergone a series of mutations. The original bill calls for the creation of a 'drug-busters' program to be administered by the Office of the Attorney General. This was subsequently changed to a Drug Strike Taskforce in its subsequent amendment to the bill. Now we are looking at something completely different. A Drug Nuisance Abatement Unit.

"The Conference Committee Report says, "Your Committee finds that there is a wide range of views as to the best approach in addressing society's growing drug problem. After careful consideration keeping in mind the limited resources available, the creation of a government drug nuisance abatement organization seems to be a viable approach." Now, I don't object to the program *per se*, but I would like to know why, if those resources are limited, we want to squander these limited resources in what obviously is a half measure, maybe a quarter measure.

"If you look at the section in the HRS, that abatement law will not work or would not do anything compared to what is even being tried out there right now. Let me quote from the Committee Report again. "A government drug nuisance abatement organization seems to be a viable approach." Translated: We have to pass something. Let's try it even if there is very little reason to believe that it will address the problem.

"We all say that drugs are a serious and a growing problem. I too believe that. We all believe that. It is time that we acted as if it was one by appropriating the funds we need to seriously address the problem. Throwing a little money here and there, and a little money there is not going to solve this problem. It hasn't in the past, and there is no reason to think it will now.

"I am very confused and I am really amazed at the things that have occurred regarding the budget this year. It is amazing what the Committees can do in Finance to creatively find ways to fund programs. Since we are saying to this Body, to the community, that drugs are a scourge, and something that is evil that we may have to fight. Why don't we put that as a priority? Why put money in a program like this?

"If we look at this bill to see what it really does, it does a lot less than what we tried to begin with. The original draft was not strong enough for me, and I already objected to that. Now we have a nuisance abatement unit. Now ice is a nuisance problem. I mean, just look at that title. Listen to it. A nuisance from a group together with the other nuisances like noise, people hanging out in other people's places, in the public buildings, whatever. It should not be that way. We should not treat such an epidemic in this way.

"We can find the money. If there is money available out there for other programs, let's put some of that money where it belongs. In our priority. That is to kick ice. That is my reservation. Thank you very much."

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

"Madame Speaker, I rise in strong support. I think this is excellent legislation that actually got even better in Conference. The ice problem is one of the great tragedies in our State as you've heard other speakers mentioned. It is ruining great kids and bringing incredible heartache to their families. Addressing the problem is multi-faceted and this bill does this, Madame Speaker. It involves enforcement, it involves interdiction, involves prevention and it involves treatment. You can't have

one without the other, Madame Speaker, and be successful in addressing this problem.

"Where the bill got even better Madame Speaker, is it has 'beefed-up' interdiction. How does it do this? It does it by establishing a Drug Nuisance Abatement Unit. This is not a nuisance. This is addressing the issue of having an icehouse in your neighborhood. And it allows the Department of Attorney General to go into a neighborhood and prosecute violations for certain drug nuisance abatement laws under the Hawaii Penal Code. So now, if there is an icehouse, say in Hawaiian Beaches out in Puna, the Attorney General's office can more efficiently and effectively respond to the problem and shut down the operation, saving a couple more kids out in that community. They can do it by using funds from the Criminal Forfeiture Fund.

"So it is creative, from the Department of Attorney General. Now all we have to do Madame Speaker, is find more money for treatment. When we do that, we can begin to break the cycle of addiction. I think we can be proud of this legislation that we've introduced this year and the good that it will bring into our communities. Thank you, Madame Speaker.

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

"Madame Speaker, I rise in support of this measure. I'd like to incorporate the comments of the Representative from Kau as my own, and I also have a few comments of my own," and the Chair "so ordered." (By reference only.)

Representative Saiki continued, stating:

"At the start of the Legislative Session Madame Speaker, we said that we would work on a few issues and do them well. This is exactly what we did in this bill. I am very proud of the work of the Conference Chairs, Committee Chairs, and the Representative from Kau, who prodded us from day one to work on this most vexing and significant problem that is occurring in our State. We have brought results to the public through this bill.

"I think that most of the Members in this House, no matter where we live, and I know we all represent very diverse communities, have heard on occasion of at least one situation where there is a drug house in our communities. It is a problem that is growing in our State and it is very prevalent. It is really devoid of socio-economics standards in our communities. It is all over the place, and it is really about time that we did something about it.

"This bill merely gives meaning to the law that was passed by this Legislature in 1990. In 1990, the Legislature amended the criminal penal code to provide for the Attorney General to enforce nuisance laws in situations involving illegal drug activity. The Legislature was very careful to state in 1990 that this law should not be used against innocent landowners. Rather it should be used against hardcore illegal drug activity. All we are doing in this bill is to give the Attorney General the resources to create a program to hire a Deputy Attorney General and an investigator, for example, to go and seek out drug houses and to stop the legal activity that is occurring in our neighborhoods. This bill will bring results to our public, and I stand in very strong support of it."

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

"Madame Speaker, I stand strong support of this bill also. And I would like to congratulate my colleague from Kau for

taking this as his main priority because in his district and in my district, this is a real, real problem.

"As I went house to house to come back in to this august Body, campaigning, I ran across many people who tell me, 'There is an icehouse down the street. We called the police. The police won't come.' In many cases there's even suspicious that the police are in 'cahoots' with the people. So we really need to find some creative and strong solutions for this problem and I hope that we pass this bill unanimously."

Representative M. Oshiro rose to speak in support of the measure, stating:

"Madame Speaker, I rise in strong support. I'd like to have the words of the speaker from Puna as my own, and Kau as my own," and the Chair "so ordered." (By reference only.)

Representative M. Oshiro continued, stating:

"I'd just like to add that when you look at the words 'nuisance abatement' or 'drug nuisance' it doesn't mean to diminish the importance of this crisis we have with us. Ice is a cancer in our society, it eats away at the very fabric of our society. But the word 'nuisance' is pertaining to the legal description of nuisance, as if we can go in there and through a civil proceeding, shut down and prohibit any further activity on the premises. And that is why we have to use the word 'nuisance' in this law.

"This is the right thing to do. It will have immediate impact upon the drug houses in our community and really give law enforcement the tools they need to shut down the drug houses in all our communities. Thank you."

Representative Sonson rose to respond, stating:

"Thank you, Madame Speaker. This is my second time to stand on this bill. My objection has to do with funding in what we are trying to do here. The purpose of the original draft of the bill was, in fact if you look at the Conference Report, take a look at the purpose. It is gray. It is what the Representative from Manoa was referring to. But what has happen is that they gutted the bill and stuck this Drug Nuisance Abatement Unit. That law that existed since 1990, as referred to by the Majority Leader. It existed since then. They have the authority to do that already. The law has been sitting there doing nothing. Now we are going to stick a \$100,000 a year.

"My objection is that we are not doing enough. That is all I am saying. If this is all we can do, it is great. But I don't think that this is all we can do. I think that drugs, or kicking the ice problem in our State should be one of our number one priority, as the previous speakers have referred to in all the testimonies that we've heard regarding ice in this House. It refers to it as a problem, not only of people and their families, it is also a problem with our economy. It affects everything that we do. It is a concern that I have, particularly in my district, as well as the Representative from Kau district. But even closer to that, I have family members that have access to these things in the past. I've seen what this drug can also do to them, to people. That is why I say if we are going to pass legislation, let's not do it half heartedly, because I understand it is very, very difficult to pass legislation. And if we are going to do something about ice, let's do it right."

Representative Fox rose and stated:

"Point of information, Madame Speaker. Was the previous speaker speaking in favor or against the bill?"

The Chair responded, stating:

"He was speaking in opposition."

Representative Sonson rose and stated:

"I was speaking in favor, with reservations."

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

"Yes, Madame Speaker. I wish to speak in favor and of course, I wish to commend my colleague from Kau for doing a good job. Dedicated. I can't think of a better legislator, Madame Speaker.

"However, in respect to some of the comments made by the legislator who was just speaking in regard to the commitment that we have. I think that the commitment that we have is in respect to a particular problem, as we have here.

"It is very limited. Madame Speaker, we are supposed to have a prison for druggies. We don't have one. We are supposed to have, and I am speaking for the motion, we are supposed to be having treatment centers. We don't have them. Now when we apprehend this druggie, where are we going to put him? Are we going to put him in a cell that is overcrowded right now? They may have to release somebody from the prison. Is he going to get treatment? Or the people that are being affected by this, is there money available for treatment? So this is the concern that I have.

"I would want to see this Legislature help my colleague here fight this problem and maybe in future Sessions, somehow have the will to find the resources to assist my friend here and others that have the problem. Thank you."

Representative Herkes rose to respond, stating:

"Thank you, Madame Speaker. I take the Attorney General's word that he is going to be very aggressive in this regard of closing down the houses. I also note that the \$100,000 is part of the funding. He also has access to forfeiture funds. I would also add that the more successful he is, the more forfeiture money there is going to be, so he can build up the program.

"So far as the other aspects that are so necessary, treatment, rehabilitation, and those efforts are in concert with enforcement. When we get to page 15, Conference Committee Report. No. 119, we will deal with that issue. 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. 297, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DRUGS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 32 and H.B. No. 1003, HD 1, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1003, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CRIME VICTIM COMPENSATION," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 33 and H.B. No. 1111, HD 2, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee

was adopted and H.B. No. 1111, HD 2, 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 51 ayes.

Conf. Com. Rep. No. 34 and H.B. No. 1255, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1255, SD 2, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE OFFICE OF ELECTIONS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 35 and H.B. No. 1361, HD 2, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that H.B. No. 1361, HD 2, SD 1, CD 1 pass Final Reading, seconded by Representative Lee.

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

"On Conference Committee Report No. 35, I would like to speak in favor. I just want to make a point that many of our elderly, many of our people on fixed incomes are giving up either food or not complying with the medication that they need because of the rising cost of prescription drugs. I truly hope that this measure will encourage both the Department of Human Services and our Governor to go after the waiver program to allow more people to have access to affordable prescription drugs. Thank you, Madame Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1361, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE MEDICAID PRESCRIPTION DRUG EXPANSION PROGRAM," passed Final Reading by a vote of 51 ayes.

The Chair directed the Clerk to note that H.B. Nos. 968, HD 1, SD 1, CD 1; 1303, SD 1, CD 1; 282, HD 2, SD 1, CD 1; 297, HD 2, SD 2, CD 1; 1003, HD 1, SD 2, CD 1; 1111, HD 2, SD 2, CD 1; 1255, SD 2, CD 1; and 1361, HD 2, SD 1, CD 1; had passed Final Reading at 3:39 o'clock p.m.

Conf. Com. Rep. No. 36 and H.B. No. 293, HD 1, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that H.B. No. 293, HD 1, SD 2, CD 1 pass Final Reading, seconded by Representative Lee.

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

"Thank you, Madame Speaker. On that measure, I stand in strong support. Thank you. The purpose of this measure Madame Speaker and colleagues, is to appropriate funds to assist the economic feasibility of a establishing a world-class farmers' market in the State of Hawaii. To build a world-class farmers' market in Hawaii is a good economic measure. I strongly believe this proposal will facilitate and increase sales and promotions of local agricultural products, and can serve as a new attraction for our visitor industry.

"According to a 2000 study, world-class farmers' market must offer a wide selection of sightseeing, shopping, dining, educational events and other social activities. It must offer a wide selection of fresh food and non-food products. It must create a special atmosphere where members and shoppers can interact. And furthermore it must offer continuous year-round activities and special events to promote the marketplace. If you look at successful farmers' markets around the country and the world and take for example, the Pike's Marketplace in Seattle, Granville Island Public Market in Vancouver and there is also one in Los Angeles and Northern Boston. All of these marketplaces have operated successfully for many, many years and all of them have the same things in common: availability of wide selection of fresh and non-fresh products, restaurants, entertainment, gift shops, art galleries, and even museums. All of these elements can be duplicated here in Hawaii Madame Speaker, and made available.

"Each year, millions of visitors around the world come to Hawaii to experience the beauty of our islands, and a world-class farmers' market offers them a one-stop attraction for shopping, and once again, entertainment and to taste the unique products of our islands and to experience our diversified ethnic foods and cultures. To be able to do this Madame Speaker and colleagues, this project requires partnership between government and private agencies. This idea has been contemplated over the years and is supported by many in the community.

"In the year 2000, we adopted H.C.R. 24, which commissioned the Department of Agriculture to study the feasibility. The report has been positive, so last year I introduced H.B. 2744 to appropriate funds for an economic feasibility study. The same purpose, Madame Speaker and colleagues. However no appropriation was approved and subsequently it died in the Conference Committee. So at this time, I thank the Finance Committee with the leadership of our Chairman, for appropriating funds and passing the bill on in Conference. And these funds, however small, will go a long way in getting this idea of the ground now we can proceed with the study. We have waited for a long time but it has been worth it.

"So in conclusion, a world-class farmers' market in Hawaii is an economic strategy to showcase Hawaii's high quality agriculture products. Its complimentary value-added products have considerable potential as a viable community development project. It will provide jobs and other opportunities for the benefit of this State. And once again, I would like to mention that I strongly believe in this project. I can envision this potential, and I trust in its success. Thank you, Madame Speaker."

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

At 3:43 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 3:44 o'clock p.m.

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 293, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE FARMERS' MARKET," passed Final Reading by a vote of 48 ayes and, with Representatives Bukoski, Nakasone and Say being excused.

Conf. Com. Rep. No. 37 and H.B. No. 1579, HD 1, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that H.B. No. 1579, HD 1, SD 2, CD 1 pass Final Reading, seconded by Representative Lee.

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

"Thank you, Madame Speaker. In opposition. I think as a resolution, this measure would be fairly harmless, although I might still tend to oppose it. As a bill, I really don't understand it at all. I used to serve in the Department of Business, Economic Development, and Tourism. The Department does have the word 'tourism' in it, but ever since the creation of the Hawaii Tourism Authority, the main work of the Department, the work of the Department that is being done under the able new director is diversification. That is what the Department is about, economic diversification. The Department doesn't need the Legislature telling the Department to work on economic diversification. Thank you, Madame Speaker."

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

"Thank you, Madame Speaker. I rise to speak in opposition to H.B. 1579. This bill requires that DBEDT development and implement plans, programs and initiatives to diversify the economy of the State. However under the Governor Lingle's leadership, DBEDT has already restructured and transformed its organization to achieve its new vision of leading Hawaii to brighter economic future. An example of this is the completion of a Strategic Industries Division and the Strategic Marketing and Support Division. These Divisions will collaborate with the private and non-profit sector to create a brighter economic future for Hawaii. H.B. 1579 does not represent a new beginning. On the contrary, it burdens DBEDT with unnecessary and redundant requirements. For these reasons, I cannot support this bill and I hope that my colleagues will oppose this measure as well. Thank you, Madame Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1579, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ECONOMIC DIVERSIFICATION AUTHORITY," passed Final Reading by a vote of 37 ayes to 11 noes, with Representatives Blundell, Finnegan, Fox, Halford, Jernigan, Leong, Meyer, Moses, Ontai, Pendleton and Stonebraker voting no and, with Representatives Bukoski, Nakasone and Say being excused.

Conf. Com. Rep. No. 38 and H.B. No. 317, HD 2, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 317, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," passed Final Reading by a vote of 48 ayes and, with Representatives Bukoski, Nakasone and Say being excused.

Conf. Com. Rep. No. 39 and H.B. No. 1509, HD 2, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that H.B. No. 1509, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative Lee.

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

"Thank you, Madame Speaker. I rise in support of H.B. 1509, as amended. 30 years ago the *kupuna* of Milolii set out to preserve the historical lands of Honomalino, Okoe, Kapu'a, Kaulanamauna, and Manuka. This bill brings to fruition that 30-year effort. Madame Speaker, I received a call from Milolii. The *kupuna* asked me to thank you, to thank the members of the Water and Land Committee, to thank the Senate and House Conferees, and to thank all of you. They said to me that by passing this bill, you have made history."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1509, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HISTORIC PRESERVATION," passed Final Reading by a vote of 48 ayes and, with Representatives Bukoski, Nakasone and Say being excused.

Conf. Com. Rep. No. 40 and H.B. No. 1613, HD 2, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that H.B. No. 1613, HD 2, SD 1, CD 1 pass Final Reading, seconded by Representative Lee.

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

"At the present time, I think with our limited financial resources, I strongly support the bill as an effort to incrementally acquire lands to create a haven for this sacred monument and *heiau*, and maintain this priceless heritage for our *keiki o ka aina* and all who will follow. Thank you, Madame Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1613, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO NORTH KOHALA," passed Final Reading by a vote of 48 ayes and, with Representatives Bukoski, Nakasone and Say being excused.

Conf. Com. Rep. No. 41 and H.B. No. 507, HD 3, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that H.B. No. 507, HD 3, SD 1, CD 1 pass Final Reading, seconded by Representative Lee.

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

"Madame Speaker, I'd like to speak in strong support of Conference Committee Report No. 41 and H.B. 507. Thank you, Madame Speaker I'd like to start by introducing two of our finest paramedics on the EMT of the City and County of Honolulu. We have in the gallery Jane Greenwood and Kelly Yamamoto Fuentes. These two young ladies, I think they are pretty far away from retirement. But you know they are very faithful and very dedicated in following the bill, in speaking to, I think all of us, to make sure that the measure passed and to justify it, as why we need this measure in order to retain the best that we can, in terms of our emergency medical service personnel.

"So Madame Speaker, in tribute to these two young ladies, I'd like to introduce their testimony in support of the measure

into the Journal, as my comments in support of the measure. Thank you, Madame Speaker," and the Chair "so ordered."

Representative Arakaki submitted the following testimony:

"Testimony by Jane Greenwood
Mobile Emergency Care Specialist I
City & County of Honolulu
To the House Committee of Health
On
House Bill No. 507
January 28, 2003 9am

Relating to the Employees Retirement System for Emergency Medical Technicians

Representative Dennis Arakaki and Members of the Committee:

I wish to testify in support of House Bill No. 507. I ask you to allow EMT's with 25 years of credited service to be eligible to receive their full retirement benefits, regardless of age. Of the four 1st responding agencies; HPD, HFD, water safety + EMS, we are the only ones who don't receive this benefit. Besides the fact that correction officers, sewer workers, attorney generals office and probation officers also receive it.

I have been told that to be eligible to receive this benefit, I have to prove that my job is "high risk" or dangerous. Right away, a million situations come to mind that have made me feel that way. Every day I come in contact with hazardous materials, infectious diseases, domestic violence, assaults, alcohol and drug abusers and psychiatric patients to name a few.

Hawaii has some of the top training in the nation for it's EMS personnel. To be certified as an EMT or paramedic in the state of Hawaii, the requirements are way above National Standards. This is especially important here, because we are so isolated from outside help. Everyone remembers "9-11" and how devastating that was. That situation gave people their first look into EMS. People in Hawaii need to realize that if anything disastrous happened here, we would rely heavily on the people if EMS to save us.

Currently, EMS is facing the same problems as nurses, teachers, firemen and police officers: we have high attrition rates and recruitment is very low. This bill for "25 and out" would be a positive step in helping a department that is long over-due for recognition.

Thank you for the opportunity to testify.

Jane Greenwood
Mobile Emergency Care Specialist I
Honolulu Paramedic Association"

"Mobile Emergency Care Specialist I
City & County of Honolulu
To the House Committee of Health
On
House Bill No. 507
January 28, 2003 9am

Relating to the Employees Retirement System for Emergency Medical Technicians

Representative Dennis Arakaki and Members of the Committee:

I wish to testify in support of House Bill No. 507. I ask you to allow EMT's with 25 years of credited service to be eligible to receive their full retirement benefits, regardless of age. Of

the four 1st responding agencies; HPD, HFD, water safety + EMS, we are the only ones who don't receive this benefit. Besides the fact that correction officers, sewer workers, attorney generals office and probation officers also receive it.

I have been told that to be eligible to receive this benefit, I have to prove that my job is "high risk" or dangerous. Right away, a million situations come to mind that have made me feel that way. Every day I come in contact with hazardous materials, infectious diseases, domestic violence, assaults, alcohol and drug abusers and psychiatric patients to name a few.

Hawaii has some of the top training in the nation for it's EMS personnel. To be certified as an EMT or paramedic in the state of Hawaii, the requirements are way above National Standards. This is especially important here, because we are so isolated from outside help. Everyone remembers "9-11" and how devastating that was. That situation gave people their first look into EMS. People in Hawaii need to realize that is anything disastrous happened here, we would rely heavily on the people of EMS to save us.

Currently, EMS is facing the same problems as nurses, teachers, firemen and police officers: we have high attrition rates and recruitment is very low. This bill for "25 and out" would be a positive step in helping a department that is long over-due for recognition.

Thank you for the opportunity to testify.

Kelly Fuentes
Mobile Emergency Care Specialist I
Honolulu Paramedic Association"

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

"Madame Speaker, in strong support of this measure. They should be on par with all other public employees such as the police, the lifeguards and the firemen. Thank you, Madame Speaker."

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

Representative M. Oshiro's written remarks are as follows:

"Mr. Speaker, I rise to speak in favor of House Bill No. 507, Conference Draft 1.

"This bill would allow a licensed emergency medical technician employed with the City and County of Honolulu Emergency Services Department to receive a state retirement pension after twenty-five years of service, regardless of the EMT's age.

"Currently, emergency medical technicians are provided through contracts with either county providers or private providers, with the State maintaining oversight of the system and monitoring of the contracts through the Department of Health. Unlike the Honolulu Police Department, the Honolulu Fire Department, and the Ocean Safety Division of the City and County of Honolulu, the City and County EMS Division receives its budget via contracts with the State. In essence, the State, not the counties, pay for the provision of EMS services, and thus, would incur any costs, through increased contract costs, that EMS providers may accrue with the provision of these retirement benefits.

"According to the Employees' Retirement System, the provision of enhanced retirement benefits to the City and

County of Honolulu's emergency medical technicians would increase the ERS' unfunded liability as of June 30, 2002 by \$1,169,659, and increase the total annual appropriations by \$159,210.

"Yet, when you consider the important role that emergency medical technicians have in protecting and preserving the health and welfare of our citizens and the hazardous conditions these employees work under, I believe this is a small price to pay for these positions. September 11th showed us how dedicated these workers are to saving people's lives, often risking their own to help those in need.

"For these reasons, I respectfully urge my colleagues to support this important measure.

"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. 507, HD 3, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EMERGENCY MEDICAL TECHNICIANS," passed Final Reading by a vote of 48 ayes and, with Representatives Bukoski, Nakasone and Say being excused.

Conf. Com. Rep. No. 42 and H.B. No. 914, HD 2, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that H.B. No. 914, HD 2, SD 1, CD 1 pass Final Reading, seconded by Representative Lee.

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

"Thank you, Madame Speaker. I rise in support of this measure. I'd like to thank the Conference Committee for its amendments to the bill. When the House voted in March, to send this measure to the Senate. I had voted no, not because I don't agree with what we need to do to safeguard the welfare of seniors, but rather because the bill did not differentiate between two very different things. Unannounced visits for the purpose of detecting abuse, and a once a year re-licensing inspection.

"As I noted at that time, visits to detect abuse need to be unannounced in order to be effective. While re-licensing inspections need to be announced because of the great amount of paperwork, which needs to be prepared in advance of the inspection, the care home operators were concerned that the unannounced re-licensing visits would create an administrative nightmare and interrupt the continuation of services. The Conference Committee has sensibly amended the bill to address these concerns well at the same time making sure that our elders will be protected from abuse. This is a good compromise draft, which deserves our support. Thank you very much."

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

"Madame Speaker, in strong support of the measure. Thank you, Madame Speaker, and I hope you and my colleagues will indulge me in a rather lengthy explanation background of this measure.

"Unfortunately, it started with two deaths: one of an elderly resident of a Pearl City care home and the other the murder of a beloved Waipahu care home operator, which visibly shook the foundation of the care home industry and led to calls for reform and changes in laws concerning care homes and care givers. On one hand, the death of a resident resulted in a manslaughter

conviction and prison time for a licensed operator. The community, through the courts, sent a clear message of a caregiver's duty to provide a level of care that assures the quality of life and health for residents they are responsible for. And called for more stringent inspections in so-called unannounced inspections. Officials responsible for the inspection and licensing of all facilities statewide that provide for such care acknowledge the reports of abuse and neglect of residents are of great concern, but rare. Especially in light of over 550 residential care homes and operators caring for their residents 24 hours and 7 days a week.

"However the conviction resulted in a Department of Health directive that all inspections related to licensing including follow-up visits and complaint investigations shall be unannounced. Advocates for the rights and care of the elderly and disabled argued that people in care homes are vulnerable and can't often protect themselves and therefore the inspectors have a right to infringe on the privacy of care home operators residents. H.B. 914 represents part of the Legislature's continuing effort to provide assurance to family members of those who had placed their loved ones in residential community care. That the highest standard of care will be provided, but more importantly, that the residents will be cared for in a safe environment with their best interest and welfare in mind.

"So with this in mind, your House Health Committee and Chair worked for a compromise that would pragmatically allow the Department to check on the status of a greater number of residents, but also allow them to follow-up on investigations and complaints unannounced and to do unannounced inspections when there is cause as determined by the Department.

"By national standards, Hawaii has an inadequate number of nursing home beds. However families of frail elderly and disabled people in Hawaii have been blessed by the abundance of caring families and homes, most notably of Filipino ethnicity, who are willing to fill the care gap by providing space in their homes and personal lives. The cost of institutional care such as nursing homes is currently over \$68,000 a year, and is projected to rise to \$200,000 by the year 2020. By contrast the cost of a resident in a care home is that the \$700 to 800 per month level, or less than \$10,000 per year. Set by statute, care home rates have remained constant since the last increase in 1989.

"A 1988 Legislative Auditor's report found that adult residential care home operators were under-compensated, especially when demands on care home operators continued to grow. The Auditor's report estimated that close to 2,500 adults reside in Hawaii's adult residential care homes, and only a little over 1,800 of these adults were supported by State supplemental funds. The adult residential care homes ..."

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

Representative Arakaki continued, stating:

"Thank you, Representative. The adult residential care homes are an integral part of housing the elderly and disabled in a home environment, while providing economical means of keeping the elderly out of institutional care and expensive health services. Adult residential care homes are just one part of a system of residential and community based care available in Hawaii.

"The formal establishment of adult residential care home programs started somewhere in the mid-70s with the passage of the Keyes amendment to the Social Security Act which permitted use of Supplemental Security Income or SSI

payments to persons in community residential facilities that serve 16 or fewer residents. During the mid-60s, the move to de-institutionalize patients in state mental hospitals provided the impetus to provide small residential boarding and care homes as an alternative to institutional care. However a series of boarding home fires and increasing numbers of reports of abuse and neglect highlighted the need to monitor and regulate these facilities, and thus the program was established in the Hawaii Revised Statutes. So the HRS defines an adult residential care home as "any facility providing 24-hour living accommodations for a fee to adults unrelated to the family who require at least minimal assistance in the activities of daily living, personal care services, protection and healthcare services but who do not need or want professional health services provided in an intermediate skilled nursing or acute care facility."

"The program began with three Department of Health staff members and 7 facilities on Oahu. And the program has increased to where now there is close to 600. Despite the perception that care homes are flourishing and financially rewarding small businesses, there are problems on the horizon that must be acknowledged. Care homes are accepting residents who are more seriously ill and disabled. Federal and State regulations will continue to place increasing demands on the caregiver and their families and many of these the children of these families will not continue on as care home operators.

"It is ironic that many Filipino families made sacrifices of time, privacy, and have dedicated themselves to care for others in their homes in order to provide greater opportunities for their children. Dreams of a better life for their sons and daughters are being fulfilled, but the tradition of care being given to the next generation will end. Will there be other families who are willing to make sacrifices and open their homes to be caregivers 24 hours a day, 7 days a week, 365 days a year? Are there others who are willing to expose their families to the demands and possible dangers of strangers, who come with a wide variety of disabilities and behaviors?

"I for one, as a policy maker and a family caregiver, truly appreciate the value of adult residential care home operators and adult foster care families in the State of Hawaii. Yes, we must provide assurance for the quality of care for the most vulnerable in our society especially for those who cannot speak or defend themselves. On the other hand, we must not make the process so onerous that it diminishes the very system that provides for that care.

"Madame Speaker, allow me to thank all the parties who were involved in crafting language and compromise that assured the health safety and welfare of adult community and care home residents and patients. Along with the need to acknowledge the importance of ARCHs and the continual care to my Co-Chairs Representative Kahikina, and Representative Nishimoto, and manager Representative Meyer, to the House Leadership, to my counterparts in the Senate, Co-Chairs Senator Chun-Oakland, Senator Baker, the AARP, the care home operators and their leaders, the Department of Health. I want to extend my sincerest mahalo and appreciation for their assistance. Thank you, Madame Speaker."

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

"Thank you, Madame Speaker. On H.B. 914, I'd like to have the words of the previous speaker from Kalihi, but also I would like to thank him personally for being steadfast, as far as this issue, and I would like to thank him as the Chair of Health and his Committee for a very fine job. Thank you, Madame Speaker, in support."

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

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

"I'd like to register strong support of this measure. Thank you, Madame Speaker."

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

"Thank you, Madame Speaker. In strong support. I also want to thank the Chair of Health, the Representative from Kalihi for all of his steadfast and hard work in striking out a balance. I want to also request to add his words in the Journal as my own. Thank you, Madame Speaker," and the Chair "so ordered." (By reference only.)

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

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 914, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ADULT RESIDENTIAL CARE HOMES," passed Final Reading by a vote of 48 ayes and, with Representatives Bukoski, Nakasone and Say being excused.

Conf. Com. Rep. No. 43 and H.B. No. 32, HD 2, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that H.B. No. 32, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative Lee.

Representative Moses rose and stated:

"Thank you, Madame Speaker. I'll start up by rising with reservations and may change that vote. I have concerns. First of all, I think most of the bill is good. It provides lists and such. This is textbooks and instructional material.

"What I am concerned with is page 5, subparagraph (b). It says that beginning with the 2005-2006 school year, any public school may assess from each student or the student's parents or guardian, a textbook and instructional material fee not to exceed \$20 per student, per school year. Is this a user fee? Is this a tax? I don't know if any people are aware of the provisions here. If the book is returned in good condition, it is not refundable to parent. So you are paying for the privilege of using the textbook? I thought that is why we pay taxes already for education? Remember that we are taxing these hard working same people the people that are sending their children to school. We are already taxing them for education and now we are taking money again.

"I see on the next page, it talks about if the school principal, for destroyed or broken textbooks, the school can retain it. But that isn't the fee that they are talking about on the previous page. These are fees you pay regardless if the book is good or bad when it is returned. And I thought, now our schools can say you are not graduating if you don't give us the money for

the book you destroyed or lost. So instead now, maybe they can still say that. I don't know. But they are going to take this \$20 per student, per year, for textbooks and keep it. Is that my understanding? Did I misread this measure? I guess I am not misreading it, so then I am rising in opposition. Thank you, Madame Speaker."

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

"I also rise in opposition for the same reasons. Thank you, Madame Speaker. On page 2, we read in Section 3, "The department may assess and collect special fees and charges from students for co-curricular activities, and from students who negligently break, damage, lose, or destroy school equipment or supplies." So this legislation, the Department of Education to collect special fees and charges for co-curricular activities and reimbursement for lost books and so forth. And I could probably go for that. If a student wants to take a field trip, or some kind of lab report where they need to collect a fee for that, co-curricular activity, or if the student loses a book, sure. We could probably reasonably say that, that student or those parents should restore those funds to the Department.

"We read on page 4 that the special fees and charges collected for the co-curricular activities shall be deposited in an insured checking or savings account, and expended by each individual school under rules adopted by the Department pursuant to Chapter to 91. So my understanding is that for co-curricular activities, the students would be charged something. I have some reservations about that. But as was previously mentioned, in Section 4, paragraph (b) on page 5, we do read that beginning with the 2005 and 2006 school year, any public school may assess and collect from each student or the student's parent or guardian, a textbook and instructional materials fee not to exceed \$20 per student, per school year. So my understanding is the same of that of the Representative from Kapolei, and is that this is going to be charging every student \$20 a year to use the books. I would encourage all the Members in this house to vote no.

"To lay an extra burden on our students because of perhaps mismanagement or other things that our schools are in the situation that they are in now, this is the wrong way to go. Parents that have two or three students in school, we are talking hundreds of dollars to get through high school or elementary school. Thousands of dollars even to participate in the public school. I would encourage my colleagues on both sides of the aisle to vote no on this measure. Thank you."

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

"Thank you very much, Madame Speaker. I rise in support of the measure. Perhaps for the previous the Representative from Hawaii Kai, I think on an earlier bill, earlier in this Session, we did try to inform him as to what and how you read a bill. The section he is talking about regarding co-curricular activities and so on, is already in the law. So anytime you see a section in a bill that is not underlined, it is part of the current law. If he has a challenge with that, he can always introduce a bill to repeal that. The part we are talking about is the part of the bill that is underlined. Any time there is an underlined section in a bill before us for voting, that is the new section. The part is not underlined is part of the current law. So any concerns he had about that, again, that was not taken up in this particular bill.

"But what we are talking about is a textbook fee and also the point about keeping a list of books so that if anyone wants to request that list, ostensibly if a parent or a guardian wants a list

of the books that their child is going to use and if they wanted to purchase that book, they would have that ability to do so.

"Let me get to the textbook fee itself, the actual part of the bill we are talking about that would be added to this section in the statute, if you read it carefully, it says that each individual principal can decide whether or not to do this, and again, the original bill from the Senate side said every school shall do this. The House position was in light of our efforts to decentralize and give autonomy and authority to individual schools. And as this bill was winding its way through the process, I called a couple dozen principals from different districts and I asked them what would they would do with a bill like this. What would they do if they had the authority to charge this fee? Some said they would. Some said they wouldn't.

"So in our attempt to decentralize, to remove things from the top down approach, this is an attempt to say to every given principal and any given school, working with their SCBM, working with the Parent Teacher Association, working with their teachers and students and parents, and say do we want to charge a fee? And if people decide that they want to do that, they are free to do so. This is not a mandate from on high, but this is something we were just merely giving them the authority to do so. If they want to take it up, be my guest. If they don't want to do so, be my guest. Thank you, Madame Speaker."

Representative Stonebraker rose to respond, stating:

"Brief rebuttal. I think the Chair of the Education Committee for pointing out the obvious, that this is an amendment to add a fee. I was simply stating my concerns that this is what the current practice is now, and if that is a veil for laying the burden of \$20 per student, on those students are the parents, that is a shabby veil to hide behind.

"The fact that this is an amendment and this is current law, and I could add an amendment to the law if I would like to do so. Perhaps I will. But it is no excuse for charging, to say to the people of Hawaii, we are now going to charge every student \$20 a year to use the textbooks. If somebody wants to go ahead and vote in favor of that, I think they are welcome to do so. I just think it is a little crazy. I would venture to say that 90% of the public would be opposed to this. Every individual and every Representative has to gauge what their constituents would have to say. But to charge \$20 per year, per student, is outrageous. So I would encourage you to fill out your 'green slips' if you have them. Thank you".

Representative Moses rose to respond, stating:

"Thank you, Madame Speaker. I am rising in opposition for the second time. I love to hear this autonomy that we are giving to the principals. What kind of autonomy is it to say that we are going to keep taxing our citizens but you can tax them some more? Is that the kind of autonomy we've been talking about this session? I think not. Thank you."

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

Representative Finnegan's written remarks are as follows:

"Madame. Speaker, I rise in opposition to C.C.R. 43, H.B. 32, H.D. 2, S.D. 2, C.D. 1. This bill effectively gives schools the authority to impose a \$20 tax on their pupils for textbooks and instructional materials. I support giving principals authority over school spending, but that authority should come through meaningful decentralization, not the authority to create a new tax.

"I am also concerned with potential unfairness in how this new charge will be levied. My concern centers on the prospect that principals of schools that serve low-income populations will be more reluctant to institute this new fee than principals of schools serving high-income populations. Because they are unwilling to levy this new charge, their schools will fall even further behind higher-income serving schools in terms of textbooks and instructional materials. We should not create a tool that will increase the gap between the wealthiest and poorest of our public schools.

"Madame Speaker, we all already pay taxes to support public education. We should not be creating a second tax to pay for materials that we should be able to provide already through a more effective allocation of existing resources. We should give our principals meaningful control over their financial resources, not simply giving them the authority to charge another tax for textbooks and materials.

"Thank you, Madame Speaker."

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

"Madame Speaker, I rise in support. In my district, as probably many other possible rural districts, a lot of the schools don't have any textbooks, and so I've heard complaints from a lot of my constituents that their kids can't do their homework because they don't have any books to bring home. I guess I see this measure as a way that the Education Chair has tried to find a way to say that something are better than nothing. So to at least give some students the chance to get the books that they need so their students can do the learning that they need to do in school. Thanks."

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

Representative Ontai's written remarks are as follows:

"Micromanagement at its very best. Here we are, Mr. Speaker, from downtown Honolulu, detailing how a school may charge up to \$20 to students for its books. We should be looking at broader policy. For example, we could allow schools to charge fees as it deems necessary, require public disclosure, and allow families to have more choices in schools. In other words, if the family objects to the fees, they can choose another public school which may have a different set of charges. The only way schools will improve is if we allow schools to differentiate themselves or distinguish themselves from other schools. These kinds of general policy decisions that accompany testing and achievement data are what is required--not these specific fees that have little effect on the performance of our schools."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 32, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Final Reading by a vote of 36 ayes to 12 noes, with Representatives Ching, Finnegan, Halford, Jernigan, Leong, Marumoto, Meyer, Moses, Ontai, Sonson, Souki and Stonebraker voting no and, with Representatives Bukoski, Nakasone and Say being excused.

The Chair directed the Clerk to note that H.B. Nos. 293, HD 1, SD 2, CD 1; 1579, HD 1, SD 2, CD 1; 317, HD 2, SD 2, CD 1; 1509, HD 2, SD 2, CD 1; 1613, HD 2, SD 1, CD 1; 507, HD 3, SD 1, CD 1; 914, HD 2, SD 1, CD 1; and 32, HD 2, SD 2, CD 1; had passed Final Reading at 4:13 o'clock p.m.

Conf. Com. Rep. No. 44 and H.B. No. 130, HD 1, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that H.B. No. 130, HD 1, SD 2, CD 1 pass Final Reading, seconded by Representative Lee.

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

Representative Lee's written remarks are as follows:

"Mr. Speaker, I rise in strong support of this measure. This bill requires notice to the spouse when a member selects a retirement option.

"As I originally introduced this Women's Caucus bill, it would have required the spouse to consent to the retirement option selected by the member, and I hope that in future sessions we can revisit this issue and amend it to reflect that purpose. However, as it is before us today, this measure will ensure that spouses are informed of the consequences of decisions made regarding the payment of pensions.

"Before this bill, a spouse could be surprised to discover upon death or divorce that the pension plan selected by the member provides no further benefit to the spouse. This financial whammy would place the spouse in an even more stressful situation than what is already present due to the death or divorce. Often the spouse has no retirement income independent of the member, and without warning this could cause undue financial ruin for the spouse. This bill will give the spouse advance knowledge and allow for advance financial planning by the spouse to make the situation as economically acceptable as possible.

"I urge my colleagues to vote "aye" on this measure. 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. 130, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PENSION AND RETIREMENT SYSTEMS," passed Final Reading by a vote of 48 ayes and, with Representatives Kanoho, Karamatsu and Nakasone being excused.

Conf. Com. Rep. No. 45 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 Lee.

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

Representative M. Oshiro's written remarks are as follows:

"Mr. Speaker, I rise to speak in favor of House Bill No. 290, Conference Draft 1

"This bill would create a program providing additional benefits to unemployed workers by extending their unemployment insurance benefits.

"Shortly following the tragic events of September 11th, the Hawaii State Legislature met in Special Session to enact emergency legislation intended to assist citizens impacted by

the downturn in Hawaii's economy following the terrorist attack. A key component to this package was the provision of additional UI benefits to unemployed workers who were laid off because of the economic slow-down that resulted from 9-11. This bill would create a similar program in light of the recent military build-up and the conflict between the United States and Iraq.

"At the outset, I recognize that given our financial situation, it will be difficult to fund this program despite the obvious urgency and need.

"Earlier this session, your Committee on Labor and Public Employment heard another measure, House Bill No. 1197, which would conform statutory provisions to the federal Temporary Extended Unemployment Compensation Act. According to the testimony provided by the Director of Labor and Industrial Relations, statutory conformity would allow the distribution of approximately \$31 million received in March of 2002 under the federal Reed Act.

"As such, elements of House Bill No. 1197 were added to House Bill No. 290 to provide an additional source of funds for the UI program.

"When these bills were heard by your Committee on Labor and Public Employment, the Committee was particularly sensitive to the concerns raised by the business community that any additional drain on the UI fund could conceivably result in higher taxes imposed on employers. To address this concern, language was added to the bill that would cease the provision of additional benefits once the UI fund reaches the threshold where the Department of Labor and Industrial Relations would have to raise employer contributions.

"Let me repeat this point -- this bill, as currently drafted, will not result in higher employer contributions to the UI fund.

"In my view, the Legislature needs to be proactive in providing for the needs of our citizens. I disagree with the comments made by Director Befitel on behalf of the Administration when he testified before your Committee on Finance. He stated that he and the Administration did not see the need for such a program since the United States has not yet gone to war with Iraq -- that the establishment of such a program was premature.

"In my humble opinion, if 9-11 taught us anything, it was the importance of having support programs put into place immediately to mitigate the economic impacts disasters and world crises will have on our State. I feel that Director Befitel's comments were short-sighted and lacked compassion for those who will be needing assistance since the bombs began falling on Bagdad. And if this is an indication of how this Administration intends to deal with crisis, we as Legislators must do everything we can to help our citizens because they won't find any support from the executive branch.

"For these reasons, I respectfully urge my colleagues to support this important measure.

"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. 290, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO UNEMPLOYMENT," passed Final Reading by a vote of 46 ayes to 2 noes, with Representatives Jernigan and Stonebraker voting no and, with Representatives Kanoho, Karamatsu and Nakasone being excused.

Conf. Com. Rep. No. 46 and H.B. No. 531, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that H.B. No. 531, SD 1, CD 1 pass Final Reading, seconded by Representative Lee.

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

"Thank you, Madame Speaker. In opposition. This bill turns the clock backward on a reform that we adopted under the previous Governor dealing with civil service reform. The purpose of the reform measure that we adopted previously was to provide management flexibility to deal with excluded civil service employees. They could use a reward system different than that used for regular civil service employees, and advance and reward exceptional employees who didn't fit the classic pattern of seniority in their job in terms of their payment. It is very unfortunate to see us going backwards on this reform as we have in this Legislative Session on this floor on several other measures. Thank you, Madame Speaker."

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

Representative M. Oshiro's written remarks are as follows:

"Mr. Speaker, I rise to speak in favor of House Bill No. 531.

"This bill would require the proposed adjustments to compensation and benefit packages for excluded civil service employees to be at least equivalent to the adjustments provided under collective bargaining agreements for their civil service counterparts and subordinates within the employer's jurisdiction.

"The majority of the employees in the Excluded Managerial Compensation Plan are career civil servants who have competed for their positions in the same manner as other public employees. These employees have spent their entire careers gaining the invaluable knowledge and skills required to efficiently and effectively run the programs that provide critical services to our community. They have risen through the ranks and are the managers who keep the various state and county programs running day in and day out despite changes in the administration.

"In my view, these employees should not be treated less favorably than their counterparts and subordinates who are covered by collective bargaining.

"Last year, the Department of Human Resources Development created a "variable pay for performance" evaluation system that grants the appointing authority the sole prerogative to grant or deny pay increases as they so desire. The current guidelines project that between five and ten percent of employees will fall into the "unsatisfactory" category even if they are actually performing satisfactorily. These managers implement the programs that the Legislature and the Administration develop. They are the Governor's leadership team. To treat them differently, and perhaps offer them less than their subordinates, is patently unfair.

"Although the State's executive branch has adopted the new "variable pay for performance" system, the City and County of Honolulu, and the Judiciary have not adopted similar programs. These jurisdictions have recognized that adopting such programs would ultimately result in recruitment and retention problems at the managerial level. They have also recognized that to maintain parity in the area of pay and to maintain employee morale, it is vital that government grant managerial

level employees benefits "at least equal to" their counterparts covered by collective bargaining.

"For these reasons, I respectfully urge my colleagues to support this important measure.

"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. 531, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYEES," passed Final Reading by a vote of 34 ayes to 14 noes, with Representatives Blundell, Bukoski, Ching, Evans, Finnegan, Fox, Jernigan, Leong, Meyer, Moses, Ontai, Pendleton, Stonebraker and Thielen voting no and, with Representatives Kanoho, Karamatsu and Nakasone being excused.

Conf. Com. Rep. No. 47 and H.B. No. 1362, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1362, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR ST. PATRICK SCHOOL," passed Final Reading by a vote of 48 ayes and, with Representatives Kanoho, Karamatsu and Nakasone being excused.

Conf. Com. Rep. No. 48 and H.B. No. 1465, HD 2, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1465, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INTOXICATING LIQUOR," passed Final Reading by a vote of 48 ayes and, with Representatives Kanoho, Karamatsu and Nakasone being excused.

Conf. Com. Rep. No. 49 and H.B. No. 1164, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1164, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," passed Final Reading by a vote of 48 ayes and, with Representatives Kanoho, Karamatsu and Nakasone being excused.

Conf. Com. Rep. No. 50 and H.B. No. 1652, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1652, SD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION TO THE MEDICAID PRESCRIPTION DRUG REBATE SPECIAL FUND," passed Final Reading by a vote of 42 ayes to 6 noes, with Representatives Blundell, Finnegan, Fox, Leong, Meyer and Ontai voting no and, with Representatives Kanoho, Karamatsu and Nakasone being excused.

At 4:16 o'clock p.m., Representative Moses requested a recess and the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 4:16 o'clock p.m.

Conf. Com. Rep. No. 58 and S.B. No. 1319, SD 1, HD 3, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1319, SD 1, HD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIFORM LIMITED PARTNERSHIP ACT," passed Final Reading by a vote of 48 ayes and, with Representatives Kanoho, Karamatsu and Nakasone being excused.

The Chair directed the Clerk to note that H.B. Nos. 130, HD 1, SD 2, CD 1; 290, HD 2, SD 1, CD 1; 531, SD 1, CD 1; 1362, SD 1, CD 1; 1465, HD 2, SD 2, CD 1; 1164, HD 1, SD 1, CD 1; 1652, SD 1, CD 1; and S.B. No. 1319, SD 1, HD 3, CD 1; had passed Final Reading at 4:19 o'clock p.m.

Conf. Com. Rep. No. 59 and S.B. No. 1051, HD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that S.B. No. 1051, HD 2, CD 1 pass Final Reading, seconded by Representative Lee.

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

"Madame Speaker, I rise in strong support. Madame Speaker, the last time I spoke in support of this legislation, my comments were called 'laughable' by the Representative from Kailua, and that is fine with me, Madame Speaker. But quite frankly, I was kind of surprised by her statements because in other ways she has been a very strong supporter of the environment and has encouraged all of us to support various environmental bills. And I've supported many of those.

"For me the Segway is all about sustainability and the environment, Madame Speaker. The Segway can travel as far as 17 miles on a single battery charge. There is no need for gasoline or some other petro-chemical to operate the Segway. It is operated by a quiet propulsion system with zero emissions. Zero emissions. So there is no pollution, Madame Speaker. The Segway's footprint is narrower than the average adult's shoulder and is no larger than a large shoe. When it is operated, it takes up the same space as a pedestrian. It takes up less space than a wheel chair, bicycle or other tandem wheel device. It can turn in place, Madame Speaker, and it is pretty amazing to see. It is something that no other vehicle can do right now. For the price tag of approximately \$5,000, Madame Speaker, it is not going to be a recreational device to be used by our youth. Therefore it will limit the number of users on the sidewalks for those who really need it.

"There are not a lot of viable alternatives to travel on our crowded roadways anymore, Madame Speaker. And we really don't want to build anymore roads. Providing people with alternatives for short distance travel we will reduce the need for cars and other vehicles with combustion engines. It is our hope Madame Speaker, that the Segway will produce some profound environmental changes in the long run, reduce fuel consumption, provide cleaner air and reduce environmental stress. The Segway is all about environmental health and sustainable practices, Madame Speaker."

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

"I rise in support Madame Speaker but I'd like to enter some safety concerns I have in the Journal," and the Chair "so ordered."

Representative Lee's written remarks are as follows:

"I speak in favor of the bill with some concerns about safety.

"This bill allows the Segway to be ridden on the sidewalks of our communities just as motorized scooters and other vehicles.

"Frankly, our sidewalks are already overcrowded and another vehicle upon them may exacerbate the serious pedestrian hazards we already have.

"The Segway is an example of high technology and probably has a place in our community. However, I have safety concerns regarding senior citizens riding them without helmets and concerns because they are so quiet--they can come up behind a pedestrian with no warning. Many older people do not have good balance, so I disagree that this is the perfect vehicle for seniors.

"I urge the members to look carefully at the next steps the Segway is like to take—we should consider safety first."

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

"Thank you, Madame Speaker. I rise in opposition, Madame Speaker. Madame Speaker, before I give my oral comments, I would like to request that the safety concerns of the Majority Floor Leader be entered in the Journal as if they were my own," and the Chair "so ordered." (By reference only.)

Representative Thielen continued, stating:

"Thank you. Madame Speaker, I find it very curious to say at least, that the Segway is being touted as an environmental mobility device. As I understand it, it runs on electric power and the last time I looked, Hawaiian Electric, in providing the power to our islands, at least to the island of Oahu, depends upon 92% to 94% of its power derived from fossil fuel. The last time I looked, fossil fuel was really what we are trying to do away with in the name of good environmental practices. Until the Segway is being powered by solar, I don't think we can tout it as reducing our dependence on foreign oil as is stated on page 1 of the bill.

"I also find the \$5,000 price tag to really make this a pricey toy. Maybe it has a small footprint, but can you imagine on Bishop Street someone trotting up to Longs on a Segway? On the Bishop Street side, coming back from Longs with, I guess bags of different things such as Kleenex and other supplies that they would have obtained there at Longs. Trotting along, maybe stopping at Starbucks for a coffee, and maybe there is a cup container holder on the handle bar of this Segway. Here they are, trotting down Bishop Street with all of the pedestrian traffic. I really think it is somewhat comical. Maybe we will have a Professor Clouseau Segway movie taken. Made in Hawaii, and that will help Act 221.

"But let's just take a look at this these Segway mobility devices. It isn't compatible with pedestrian traffic. And also the \$5,000 pricey toy is available to youngsters that come from the more affluent areas such as from the former speaker's area in Manoa. You are going to find kids that are going to using those Segways. Manoa, down the sidewalks where they exist. Maybe over to the private school. You are going to find them in use and in conflict with pedestrians that are not going to be expecting this silent thing that does run on electric power, fueled by fossil fuel obviously. But you are not going to find

people aware that this, 300 pound gorilla I think I called it before, it is going to be coming at them from behind. Yes, there may have to be some sort of a horn or maybe we can say people have to go 'beep beep'. I just don't think it makes much sense Madame Speaker, to mix these with the pedestrians. Thank you."

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

"Thank you, Madame Speaker. Hawaii is the most over-centralized state in the union. Yes, I am in opposition – always. Thank you, Madame Speaker. We are the most centralized state in the United States. We do things at the State level that other states don't imagine doing. We run airports. We run convention centers. We run prison systems. We run courts. We do all welfare, and on and on. We frankly don't leave very much to the counties to do. One thing the counties can do and they spend time on is regulate traffic on sidewalks. I think we should leave that to the counties and we should not pass this bill it is going to make it precious hard for counties to deal with Segway problems in the future. Thank you, Madame Speaker."

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

"Yes thank you, Madame Speaker. I wish to speak in favor of course. I was not quite sure whether I was going to purchase a Segway, but when I heard the Representative from Kailua speaking about the merits of the Segway, I am convinced that I am going to buy one. She did such a great job in speaking about the merits of the Segway."

"Madame Speaker, as far as fossil fuel, it is not the synthetic product. It is a natural product. It is from decaying animals so I don't know why she is so opposed to a natural product like fossil fuel, Madame Speaker."

Representative Thielen rose to respond, stating:

"Madame Speaker, I can just picture the Transportation Chair as he trots down Bishop Street on his Segway a half an hour before sunset with reflectors on his vest and a head lamp on his head. It is quite a picture Madame Speaker, and I would hope that Pritchett would be available to do the cartoon."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1051, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PERSONAL TRANSPORTATION," passed Final Reading by a vote of 43 ayes to 7 noes, with Representatives Blundell, Bukoski, Fox, Halford, Jernigan, Meyer and Thielen voting no and, with Representative Souki being excused.

Conf. Com. Rep. No. 60 and S.B. No. 837, SD 1, HD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 837, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO WORKFORCE DEVELOPMENT," passed Final Reading by a vote of 50 ayes and, with Representative Souki being excused.

Conf. Com. Rep. No. 61 and S.B. No. 41, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee

was adopted and S.B. No. 41, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC CONTRACTS," passed Final Reading by a vote of 50 ayes and, with Representative Souki being excused.

Conf. Com. Rep. No. 62 and S.B. No. 665, SD 1, HD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that S.B. No. 665, SD 1, HD 2, CD 1 pass Final Reading, seconded by Representative Lee.

Representative Blundell rose and stated:

"Thank you, Madame Speaker. I rise in opposition to this measure as I have all the way through. Madame Speaker, I have long held the position that we and we alone, are responsible for our own destinies. We have created a society where government has become our brother's keeper and it has taken people self-responsibility away from them. This needs to stop. We are responsible, not government, for how we are situated when the time comes for us to retire."

"Madame Speaker, before we venture into this socialized medicine arena, we should spend the time to study the systems that are in place in other countries. For the most part, these systems result in poor services, long wait-time services, and huge costs to citizens. I have family that live in three of these countries that have socialized medicine and without exception, none of these countries' healthcare systems can compare with what we have in this country. My family buys insurance just so they can obtain timely, first-class care. These systems tend to be understaffed and because of that spend most of the time taking care of emergency patients. Those that are not emergencies have to wait for care, sometimes many months."

Representative Lee rose to a point of order, stating:

"Point of order. Is the speaker speaking on Report No. 61? 62? I think you said 61? I'm sorry, Representative."

Representative Blundell continued, stating:

"Also, there are instances where patients are dying waiting for hospital beds. Madame Speaker ..."

At 4:29 o'clock p.m., Representative Meyer requested a recess and the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 5:03 o'clock p.m.

Representative Blundell rose and stated:

"Thank you, Madame Speaker. I think this was my first mistake of the Session. I tied my speech into the wrong bill. I tagged the wrong bill. I apologize for that so I withdraw my speech."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 665, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PREPAID HEALTH CARE PLAN," passed Final Reading by a vote of 50 ayes and, with Representative Souki being excused.

Conf. Com. Rep. No. 63 and S.B. No. 1395, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1395, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE AMENDMENT OR REPEAL OF OBSOLETE TAX LAWS," passed Final Reading by a vote of 50 ayes and, with Representative Souki being excused.

Conf. Com. Rep. No. 64 and S.B. No. 946, HD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that S.B. No. 946, HD 2, CD 1 pass Final Reading, seconded by Representative Lee.

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

"Madame Speaker, I do want to publicly acknowledge the Chair and Vice Chair of Judiciary for considering this Keiki Caucus measure that we have working on for about four years now. And especially for Na Tutu, which is a small organization of grandmothers who worked diligently to see this measure through."

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

"I have a number of those good *tutus* in my district who I have seen them here year after year, working on this and it really warms my heart to see that it has finally come to fruition."

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

Representative Finnegan's written remarks are as follows:

"Mr. Speaker, I just want to make some brief remarks in support of C.C.R. 64, S.B. 946, H.D. 2, C.D. 1. This issue has come up before in the Legislature, only to fail near the end of session. But in this day and age, with increasing number of kupuna raising grandchildren and other individuals raising members of their extended family, it is important that we create a mechanism by which these caretakers can enroll the child in their care in school and extra-curricular activities. We need to make it possible for these kupuna to provide the best care for their grandchildren, and this bill is a crucial step in that direction.

"I've learned that school and extra-curricular activities keep kids busy and away from drugs and mischievous behavior. Many kids are with their kupuna because their parents are neglecting them due to drug use. This bill reinforces positive activity in a young person's life. I would like to thank the Chair and Vice-Chair of the Judiciary Committee for their work on this measure and reporting it out.

"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. 946, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CAREGIVER CONSENT," passed Final Reading by a vote of 50 ayes and, with Representative Souki being excused.

Conf. Com. Rep. No. 65 and S.B. No. 1201, SD 2, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1201, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE FRANCHISES," passed Final Reading by a vote of 50 ayes and, with Representative Souki being excused.

Conf. Com. Rep. No. 66 and S.B. No. 931, SD 2, HD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that S.B. No. 931, SD 2, HD 2, CD 1 pass Final Reading, seconded by Representative Lee.

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

Representative M. Oshiro's written remarks are as follows:

"Mr. Speaker, I rise in favor of Senate Bill No. 931, Conference Draft 1, Relating to Hawaii Victims Leave Act.

"This measure would require employers to provide unpaid leave if the employee or the employee's minor child is a victim of domestic or sexual violence and if the leave is to, among other things:

- Seek medical attention to recover from physical or psychological injury or disability caused by domestic or sexual violence;
- Obtain services from a victim services organization;
- Obtain psychological or other counseling;
- Temporarily or permanently relocate; or
- Take legal action, including preparing for or participating in any civil or criminal legal proceeding related to or resulting from the domestic or sexual violence, or other actions to enhance the physical, psychological, or economic health or safety of the employee or the employee's minor child.

"Under this bill, employers employing fifty or more employees are required to provide up to thirty days, or six weeks, of unpaid leave, and employers employing forty-nine or less employees are required to provide up to five days or a single week of unpaid leave per calendar year.

"Domestic and sexual violence is a plague on our community. It is especially vicious because it robs people of their self-esteem, their freedom to live without fear, and their right to exist in peace. This Legislature has acknowledged the detrimental impacts domestic and sexual violence has on women, children, and entire families, and has demonstrated its support for worthwhile organizations that assist victims and their families.

"The Legislature and your Committee on Labor and Public Employment have recognized how domestic and sexual violence impacts the workplace and have taken steps to address these issues.

"During the public hearing on this bill, the Director of Human Resources Development testified that the Governor, the Department of Labor and Industrial Relations, and the Department of Human Resources Development had met to discuss this bill, and that each supported the measure.

"I am hopeful that the Administration's support for employee leave, as evidenced in its support of this measure, will be applied consistently to other employee leave measures, and in particular House Bill No. 389, House Draft 2, which was transmitted to the Governor on April 11, 2003.

"It should be noted, however, that, unlike the present measure, House Bill No. 389, House Draft 2, does not require employers to provide any more leave than they are already required to provide under the law, or require them to provide sick leave that the employee has not already accrued. Rather, House Bill No. 389, House Draft 2, requires employers of 100 or more employees, who must currently provide four weeks of unpaid leave under Chapter 398, Hawaii Revised Statutes, to permit employees to use up to ten days of their accrued sick leave for family leave purposes.

"In comparison, Senate Bill No. 931, Conference Draft 1, would require employers with less than 50 employees to provide five days of unpaid leave for victims of domestic violence, sexual assault, or stalking. Currently, employers of this size are not subject to state or federal unpaid leave laws. Further, this bill would require employers of 50 or more employees to provide 30 days of unpaid leave, in addition to leave required under the federal family and medical leave law.

"Under this bill, HMSA would be required to provide leave for an employee whose daughter is the victim of domestic violence, but Likeline Drive In, which is situated across the street, would not be required to provide leave for an employee whose son is in intensive care dying of cancer. In my view, the employees in both situations equally deserve leave.

"Your Committee on Labor and Public Employment has endeavored to maintain the fine balance between meeting employee needs, while attempting to address the concerns of the business community. While I understood what this measure intended, I could not escape nor ignore the economic realities faced by the business community. As such, as Chair of the Labor Committee, I requested representatives of the Department of Human Resources Development, Domestic Violence Clearinghouse and Legal Hotline, and the Society of Human Resources Management to collaborate on language addressing concerns raised by the Committee, including the bills effect on collective bargaining, stacking of leave, and certification and notification requirements.

"The measure before you today represents the collective efforts of the domestic violence and business communities as well as the Administration to address this problem. In fact, in a letter from the Hawaii State Coalition Against Domestic Violence to Governor Lingle, Ms. Rumi Murakami confirms the Governor's support for this measure. It reads in pertinent part:

"From the first hearing on this bill, it was made clear to us, through the Director of the Department of Labor, that you were in support of the concept of the bill. I understand that the Department of Labor was in close consultation with you as they worked with us to create a draft of the bill that would meet with your approval. We appreciate your active involvement on this important bill. Granting victims the security to take unpaid leave to attend to their safety will increase our community's awareness and undoubtedly save lives.

I am sure you are aware that we argued vigorously against your request that the bill's 30 days of unpaid leave apply only to employers with 50 or more employees. In the end, however, and thanks to your willingness to include smaller employers under a separate scheme of 5 days unpaid leave, we decided it was more important to have your support than

to continue fighting on this issue. We wanted the bill to leave the Senate in a form that you, the Department of Labor, and we could support through the remainder of the session. S.B. 931, S.D. 2 is the fulfillment of that goal, and we thank your [sic] for your participation and continued support."

"It is my hope that dialogue between the Administration and DVCLH on the one hand, and the business community on the other hand does not end on issues like these. Much work needs to be done to protect the interests of both the victims of domestic violence and employers. In order for us to enact balanced legislation that meets the needs of all citizens, there must be good faith effort by all of the parties to reach a compromise.

"Accordingly, I urge my fellow colleagues to support this measure.

"Thank you."

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

"Thank you, Madame Speaker. I am rising in opposition to Conference Committee Report No. 66, S.B. 931, having to do with the Hawaii Victims Leave Act. This bill, I know, is well-meaning, but again it is another example of the Legislature passing a law that adds additional regulations on the private sector and businesses, small businesses in Hawaii. According to page 4, line 3, leave of absence for domestic or sexual violence, an employer employing 50 or more employees shall allow an employee to take up to 30 days of unpaid victim leave from work, per calendar year. Or an employer employing not more than 49 employees shall allow an employee to take up to 5 days of unpaid leave from work, per calendar year, if the employee or the employee's minor child is a victim of domestic or sexual violence. I think that the average employee-employer relationship, whether it is sexual violence or an automobile accident or some kind of a traumatic thing, I think they can work these things out. When we put these into statute and so specifically, it's troublesome, and for those reasons I can't support it. Thank you."

Representative Finnegan 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 Finnegan's written remarks are as follows:

"Madame Speaker, I rise with reservations on C.C.R. 66, S.B. 931, S.D. 2, H.D. 2, C.D. 1. I have serious concerns about this measure, Madame Speaker, which I have discussed in earlier remarks. I am concerned about the additional burdens it places on businesses in our state. However, because of the seriousness of domestic violence, I am supporting it with reservations.

"I do recognize the benefits this measure would have for the victims of domestic violence. It also does hold some potential benefits for employers. The leave time in this bill can help employers keep domestic violence issues away from the workplace by giving employees the time they need to pursue legal action against their abusers. It can also help victims be more effective workers by giving them the time they need for counseling and treatment. These benefits mitigate the burdens this measure places on employers.

"I believe that the majority of employers are sensitive to domestic violence issues and are willing to give employees who are victims the time they need to pursue legal action and get treatment. Thus, I'm not sure how necessary this measure

actually is. Nonetheless, I believe it will do more good than harm, and so will support it for now.

"Thank you, Madame Speaker."

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

Representative Lee's written remarks are as follows:

"Mr. Speaker, I rise in strong support of this measure. This bill entitles employees to victim leave after domestic or sexual violence against the employee or a child of the employee.

"After an episode of domestic or sexual violence there are often critical needs for medical care, counseling, relocation, and/or legal action. This bill will grant the employee who has exhausted other forms of paid and unpaid leave the right to victim leave for the purpose of dealing with these issues.

"Employees of larger organizations, those with 50 or more employees, will have up to 30 days of victim leave per calendar year. Smaller companies, where the impact of the leave on the employer may be more onerous, will be required to allow up to 5 days of victim leave. It should be noted that in all cases victim leave is unpaid leave.

"This bill also protects an employee who needs to use this leave in that when he or she returns to work they have a right to their original or an equivalent position. This bill will complement the benefits available to crime victims via the Crime Victim Compensation Commission, and relieve victims of the need to choose between recovering from the crime and keeping a job.

"I urge my colleagues to vote "aye" on this measure. 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. 931, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HAWAII VICTIMS LEAVE ACT," passed Final Reading by a vote of 43 ayes to 7 noes, with Representatives Blundell, Bukoski, Evans, Jernigan, Meyer, Ontai and Stonebraker voting no and, with Representative Souki being excused.

The Chair directed the Clerk to note that S.B. Nos. 1051, HD 2, CD 1; 837, SD 1, HD 2, CD 1; 41, HD 1, CD 1; 665, SD 1, HD 2, CD 1; 1395, SD 1, HD 1, CD 1; 946, HD 2, CD 1; 1201, SD 2, HD 1, CD 1; and 931, SD 2, HD 2, CD 1; had passed Final Reading at 5:09 o'clock p.m.

At 5:09 o'clock p.m., the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 5:10 o'clock p.m.

Conf. Com. Rep. No. 67 and S.B. No. 1312, SD 1, HD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1312, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," passed Final Reading by a vote of 49 ayes and, with Representatives Hiraki and Marumoto being excused.

Conf. Com. Rep. No. 68 and S.B. No. 830, SD 1, HD 3, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that S.B. No. 830, SD 1, HD 3, CD 1 pass Final Reading, seconded by Representative Lee.

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

Representative M. Oshiro's written remarks are as follows:

"Mr. Speaker, I rise in favor of Senate Bill No. 830, Conference Draft 1, 'Relating to Criminal History Record Checks.'"

"This measure:

- Implements the recommendations of the criminal history record check working group, as established pursuant to Act 263, Session Laws of 2001, to address inconsistencies and duplicative statutory language authorizing record checks for employment background checks, certifications, and licensing of individuals; and
- Extends the working group to 2005 to review issues relating to the use of criminal history record checks in employment and licensing.

"The focus of the working group was on reviewing existing statutes governing the access and use of criminal history records for employment and licensure. The participants in the working group consisted of stakeholders from the private and public sector, licensing entities and employers, schools, and a public union. Policy affecting the current public employee and employer relationship was not a topic of discussion by the working group nor was there any attempt to address "bright line" issues regarding civil service reform or collective bargaining.

"The Senate Position, as embodied in the Senate Draft 1 version that was received at First Crossover, blurred the "bright line" established in the Civil Service Reform efforts enacted as Act 253, Session Laws of Hawaii 2000. Specifically, the areas of recruitment and examination, which include the probation period, are areas that are not negotiable under Section 89-9, Hawaii Revised Statutes. References in this bill to probationary employees covered under Chapter 89 conflicts with Chapter 76-27, Hawaii Revised Statutes, which specifies that probation is part of the examination process. Section 89-9, Hawaii Revised Statutes further states that examination is not a negotiable topic. In other words, the repeated reference to probationary employees and Chapter 89 abridged current policy spelled out in Act 253.

"In my view, it was never the intention of the working group to deal with these issues in this particular measure. What, in essence, was a housekeeping measure, had become a vehicle for substantive issues affecting collective bargaining. Based on this, your Committee on Conference made various amendments to the bill to remedy the conflicts between the collective bargaining and civil service laws as they pertain to criminal history checks.

"Mr. Speaker, one of the key recommendations offered by the working group was the creation of a new section to Chapter 78 that authorizes criminal history record checks for applicants and employees who have the same level of contact with vulnerable populations or access to persons in correctional facilities. Applicants and employees who will be subject to these criminal history record checks should be treated in the

same manner as employees who work for departments that have existing statutory authorization to conduct criminal history record checks. For example, in my view, the criminal history of a custodian at a public school should be scrutinized in the same manner as a teacher at the school. Both individuals may have an equal opportunity to cause harm to a child.

"While I understand that under this bill, applicants may be current employees seeking a transfer or promotion to a position that requires criminal history checks, in my view, there is no difference between those employees who seek promotion or who transfer into positions where statutory authorization for criminal history record checks are already required for certain positions.

"Mr. Speaker, I believe this is a good bill, and I urge my fellow colleagues to support this measure.

"Lastly, Mr. Speaker, I would like to commend the Chairs of the Committees on Finance and Judiciary, their staff, and in particular Judiciary Committee staff attorney Ember Shinn, and Labor Committee staff attorney Janna Nakagawa for their hard work on this extremely complex and technical measure.

"Thank you."

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

Representative Pendleton's written remarks are as follows:

"Mr. Speaker, I rise in support of Conference Committee Report 68, Senate Bill 830, Senate Draft 1, House Draft 3, Conference Draft 1, relating to criminal history record checks.

"This measure addresses inconsistencies and duplicative statutory language authorizing record checks for employment background checks, certifications, and licensing of individuals.

"I rose in support of this bill earlier in the Session. I do so again today for the same reasons: 1) it begins the process of standardizing criminal history record checks for employment; 2) it clarifies what criminal history records are and how they can and cannot be used; and 3) it has the support of several of the Executive Branch's departments.

"The Legislature recognized the need for standardizing criminal history record checks for employment background checks back in the year 2000 when it passed Senate Concurrent Resolution No. 122. Ultimately, the resolution resulted in the enactment of Act 263, Session Laws of Hawaii 2001 and created the Criminal History Record Check Working Group. The Act created the Working Group for the purpose of conducting a comprehensive study of Hawaii's criminal history record check laws. Unfortunately, the Working Group's study resulted in findings that declared Hawaii's criminal history record check laws confusing, unclear, redundant, and in areas, unnecessary.

"This bill is a step towards untangling the web of confusion Hawaii's criminal history record check laws currently find themselves in. The bill implements the recommendations of the Working Group and addresses disparate practices, inconsistencies, and duplicative language in Hawaii's criminal history record check laws. According to the Attorney General's office, it provides standard language for criminal history record checks used by currently authorized non-criminal justice programs to obtain state and/or national criminal history record information for their programs.

"Employers have the right to know the criminal history of prospective employees. This is so they can fulfill their duty to ensure the safety of their workplaces for the sake of their employees. Cumbersome and unclear laws should not hinder employers' ability to conduct criminal background checks. This bill would eliminate conflicting language in sections 378-2.5, 831-3, and 831-3.1, Hawaii Revised Statutes and thus simplify the criminal background check process.

"Second, this bill also clarifies what criminal history records are and how they can and cannot be used. As stated in the bill's preamble, no common definition of a 'criminal history record check' currently exists.

"According to the Attorney General, this bill changes the language in Sections 378-2.5, 831-3.1, and 831-3, Hawaii Revised Statutes in order to clarify exactly when, how long, and what type of criminal history record check information can be used.

"The bill revises these statutes to succinctly state that criminal history record check information can be taken into consideration only after an individual receives a conditional job offer and is limited by a ten-year time period, excluding the period of incarceration. In addition, the changes describe the differences between an arrest and a conviction.

"Third and finally, the Administration strongly supports the intent of the bill. Attorney General Mark Bennett considers this bill significant because it addresses the growing problem of inconsistent and duplicative criminal history record check laws. The Attorney General's office also stated that the FBI gave preliminary approval of this bill draft. The Departments of Human Resources and Development and Labor and Industrial Relations also support the measure.

"Earlier on in the session, my full support of this bill extended only to the House version. Act 263 required the Working Group to resolve policy issues relating to criminal history record checks and make recommendations to the Legislature. The Working Group's job was not to discuss any issues of collective bargaining, civil service reform, or the public employee and employer relationship.

"According to the Department of Human Resources Development, the Senate's version contains new language that exceeds the policy decisions by the Working Group and creates conflicts with current civil service law. The Attorney General states that the Senate's draft introduces areas affecting collective bargaining that the Working Group never discussed.

"The amended House version only dealt with resolving disparate practices, inconsistencies, and duplicative language relating to the conduct of criminal history record checks for employment, certification, and licensing of individuals as recommended by the Working Group.

"At Conference Committee, the Committee members made additional amendments to the bill to note that the required criminal history checks were not intended to interfere with employee collective bargaining rights. I support these amendments because they further clarify the bill's purpose and intent.

"For these reasons, Mr. Speaker, I support Conference Committee Report 68, Senate Bill 830, Senate Draft 1, House Draft 3, Conference Draft 1, which addresses inconsistencies and duplicative statutory language authorizing record checks for employment background checks, certifications, and licensing of individuals. And I urge all of my colleagues to also support its passage. 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. 830, SD 1, HD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CRIMINAL HISTORY RECORD CHECKS," passed Final Reading by a vote of 49 ayes and, with Representatives Hiraki and Marumoto being excused.

Conf. Com. Rep. No. 69 and S.B. No. 1324, SD 1, HD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1324, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONCILIATION PANELS," passed Final Reading by a vote of 49 ayes and, with Representatives Hiraki and Marumoto being excused.

Conf. Com. Rep. No. 70 and S.B. No. 1492, SD 1, HD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that S.B. No. 1492, SD 1, HD 2, CD 1 pass Final Reading, seconded by Representative Lee.

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

Representative Finnegan's written remarks are as follows:

"Madame Speaker, I rise in support of C.C.R. 70, S.B. 1492, S.D. 1, H.D. 2, C.D. 1. This has been a tough issue for those of us who sat on the Health and CPC committees, one on which we received a lot of letters and calls on both sides of the issue. The bill initially came to us in a form that essentially asked the Legislature to choose sides in an on-going dispute at the residence at One Kalakaua. I know that the Chairs of both the Health and the CPC Committees put a lot of effort in crafting a bill that would avoid choosing sides in that dispute while at the same time creating a policy that would address future similar situations. I thank them and the other conference chairs and managers for the work and time they put into this issue.

"The bill that is before us leaves the question of One Kalakaua to the courts to decide, as is proper, and instead focuses on the question of future 'condominium to assisted living facility' conversions – whether they should be allowed and, if so, what form they should take. I think that is the proper focus and this bill is the right path for the Legislature to take at this time.

"Thank you, Madame Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1492, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ASSISTED LIVING FACILITIES," passed Final Reading by a vote of 49 ayes and, with Representatives Hiraki and Marumoto being excused.

Conf. Com. Rep. No. 71 and S.B. No. 255, SD 2, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that S.B. No. 255, SD 2, HD 1, CD 1 pass Final Reading, seconded by Representative Lee.

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

"Thank you, Madame Speaker. On Conference Committee Report No. 71, S.B. 255, SD 2, HD 1, CD 1, and this is regarding Private Restrictions on Agricultural Land Uses and Activities. I stand in strong support, Madame Speaker.

"Thank you. First of all, let me just extend my appreciation for the hard work given by my Co-Chairs in the Conference Committee: the Vice Chair of the Judiciary, and the Chairman of the Water, Land Use and Hawaiian Affairs. We came up with the compromise on this measure. I would like to just explain what we have done because this is a very important measure to again, address our agriculture industry.

"This bill in its original form, Madame Speaker and colleagues, attempted to retroactively void and prospectively prevent private or public restrictions from being placed on agricultural lands in accordance with our State Constitution, State statutes, county ordinances, and public planning documents. Such restrictions do exist today, preventing normal farming operations in agricultural districts. The House Judiciary Committee raised concerns about the constitutionality of passing a law that would void existing contracts, and I would like to say that these are really valid concerns. But on the other hand, there is a line of thought that existing contracts containing restrictions that prevent farmers from utilizing their farmland in accordance with State law, is even more egregious. The proliferation of agricultural subdivision restrictions pose a serious threat to our farming community and in some instances, these restrictions are forcing many farmers to stop farming altogether.

"So the outcome of this bill from the Conference Committee Madame Speaker, was a compromise that points to the dilution of the agricultural districts, with gentleman farmer estates, with golf courses, orchards and gated communities, which point to a county planning issue or urban-like uses occupying agricultural lands. This language is included on page 8, lines 7 to 13 on the Conference bill. So the big question is: How do we address this existing covenant that negatively impacts farmers and the public interest? Are we going to protect agricultural lands? Promote diversified agriculture? Increase agricultural self-sufficiency? And preserve agricultural lands for agricultural production? I believe these questions must be addressed because they are mandates in Article XI, Section 3 of our Constitution.

"Madame Speaker, as your Chair of the Agricultural Committee, I believe very strongly that what we did here is a very cautious approach that recognizes that we, ourselves are affected with these covenant agreements that are being signed. We also have not discussed about a possibility that there might be some agreements or conveyances that also are detrimental for passing a bill that is going to be retroactive. So that is the approach that we did.

"So perhaps during the Legislative interim, with the support of the Ag Working Group that we have formalized by way of resolution, if there can be found a substantial number of existing agricultural lot owners whose aspirations for agricultural utilization of their property has been thwarted by private restriction, then I believe that, that might be the right time for us to maybe revisit this measure. If we have to address this retroactively, that might be the best time to do it. So I urge my colleagues to support this measure. Thank you."

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

"Thank you, Madame Speaker. In support, and wish the words of the Ag Committee Chair be inserted in the Journal as my own," and the Chair "so ordered." (By reference only.)

Representative Kanoho continued, stating:

"But I also wish to thank Co-Chair Oshiro for the 8-page purpose clause, which solidifies the State's position in addressing the very controversial issue of even prospectively applying restricting covenants. This measure is so broadly written that it could cover the three situations that we've been discussing. One is whether it could be applied retroactively. The other is, could it be applied to lots in an existing subdivision which would contain these covenants, but not necessarily entered into a contract with a lessee or a purchaser of a lot. But certainly it could be made applicable to a new subdivision on which covenants are being attempted to be gained with an authorizing agency but especially with the county. So I think this will have a possibility of ending up in court if people who will be affected by this and who want to apply it retrospectively. 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. 255, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," passed Final Reading by a vote of 49 ayes and, with Representatives Hiraki and Marumoto being excused.

Conf. Com. Rep. No. 72 and S.B. No. 975, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 975, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO GOVERNMENT," passed Final Reading by a vote of 49 ayes and, with Representatives Hiraki and Marumoto being excused.

Conf. Com. Rep. No. 73 and S.B. No. 740, HD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 740, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," passed Final Reading by a vote of 49 ayes and, with Representatives Hiraki and Marumoto being excused.

Conf. Com. Rep. No. 74 and S.B. No. 38, HD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 38, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII TOURISM AUTHORITY," passed Final Reading by a vote of 38 ayes to 11 noes, with Representatives Blundell, Finnegan, Fox, Halford, Leong, Meyer, Moses, Ontai, Pendleton, Stonebraker and Thielen voting no and, with Representatives Hiraki and Marumoto being excused.

The Chair directed the Clerk to note that S.B. Nos. 1312, SD 1, HD 2, CD 1; 830, SD 1, HD 3, CD 1; 1324, SD 1, HD 2, CD 1; 1492, SD 1, HD 2, CD 1; 255, SD 2, HD 1, CD 1; 975, HD 1, CD 1; 740, HD 2, CD 1; and 38, HD 2, CD 1; had passed Final Reading at 5:19 o'clock p.m.

Conf. Com. Rep. No. 75 and S.B. No. 1352, SD 1, HD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, and the report of the Committee was adopted and S.B. No. 1352, SD 1, HD 2, CD 1,

entitled: "A BILL FOR AN ACT RELATING TO HOME AND COMMUNITY-BASED SERVICES," passed Final Reading by a vote of 50 ayes and, with Representative Hiraki being excused.

Conf. Com. Rep. No. 76 and S.B. No. 1423, SD 2, HD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that S.B. No. 1423, SD 2, HD 2, CD 1 pass Final Reading, seconded by Representative Lee.

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

Representative Pendleton's written remarks are as follows:

"Mr. Speaker, I stand in strong support of Conference Committee Report 76, Senate Bill 1423, Senate Draft 2, Conference Draft 1, relating to establishing the Commission of Fatherhood within the office of the Lieutenant Governor to promote healthy family relationships between parents and children.

"This bill would support fatherhood and provide for the children of Hawaii. I strongly believe that every child should have a motivating role model. This bill would encourage fathers of all ages to actively participate in raising their children. In addition it would provide for the development and implementation of comprehensive strategies to strengthen the role of fathers in their children's lives.

"The child is more likely to thrive with support, guidance, and nurturing from their parents. When children have parental involvement they are more likely to stay away from crime and drugs. This program would help eliminate emotional and behavioral problems associated with a child's development.

"This bill, if it should become a law, would not cost tax payers a penny. There are no appropriations for this bill. This is a win-win situation for everyone involved, but most importantly it sends the message that we want our keiki to have good role models.

"As a father of four, I firmly believe that parents have a strong influence on their children. I do my best to be a good example and role model for my children. I believe that if this bill were to become law it would benefit many, many people but most of all the children.

"For these reasons, Mr. Speaker, I support Conference Committee Report 76, Senate Bill 1423, Senate Draft 2 Conference Draft 1. It would establish the Commission of Fatherhood within the office of the Lieutenant Governor to promote healthy family relationships between parents and children. And I urge all of my colleagues to vote in favor of this bill. Thank you Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1423, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO A COMMISSION ON FATHERHOOD," passed Final Reading by a vote of 47 ayes to 3 noes, with Representatives Ontai, Wakai and Waters voting no, and with Representative Hiraki being excused.

Conf. Com. Rep. No. 77 and S.B. No. 205, SD 3, HD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that S.B. No. 205, SD 3, HD 2, CD 1 pass Final Reading, seconded by Representative Lee.

Representative Moses rose and stated:

"Thank you, Madame Speaker. On 75, all I have to do is find my notes ..."

At 5:20 o'clock p.m., Representative Moses requested a recess and the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 5:20 o'clock p.m.

Representative Moses rose in support of the measure with reservations, stating:

"Thank you, Madame Speaker. First of all, this has to do with paid leave I believe that it should be collective bargaining item.

"This is on Conference Report No. 77, Madame Speaker. I am rising with reservations. I believe there may be a conflict in the bill. It reads on line 4, page 1, that "Employees shall be eligible for at least two hours of paid leave during normal business hours to attend" and it goes on. But it says at least two hours. On the next page 2, on line 2 it says, "Travel time shall be included as part of the two hours. So it is indicating that there is two hours on page 2, but on page 1 it says, "at least two hours." So it is very unclear. Thank you, Madame Speaker."

Representative M. Oshiro rose to speak in support of the measure, stating:

"Madame Speaker, I rise in strong support. I'd like to ask if I could submit written comments. I'd just like to state that this is a pro-family, pro-child measure. Thank you."

Representative M. Oshiro's written remarks are as follows:

"Mr. Speaker, I rise in favor of Senate Bill No. 205, Conference Draft 1, Relating to Employment.

"This bill would require public employers to provide at least two hours of paid leave during normal business hours to attend either a mutually-scheduled parent-teacher conference for the employee's minor child, or a mutually-scheduled parent-caregiver conference for a pre-school aged child attending a licensed group care center.

"This bill also clarifies that the employee may take leave for no more than two mutually-scheduled conferences per child in a calendar year, and clarifies that travel time be included as part of the two hours permitted for each conference.

"Lastly, this bill clarifies that the provision of paid leave not adversely interfere with the operations of the work unit nor require the applicable agency to incur additional human resources or overtime costs.

"The Department of Human Resources Development testified that since 1989, the State has allowed employees up to two hours of paid administrative time-off to attend two parent-teacher conferences for each child, per school year, provided the employees' absence not adversely interfere with work operations nor results in additional human resource or overtime costs. Furthermore, since 1993, the State has allowed regular employees to use sick leave toward family leave to care for a seriously ill child and other qualified family members.

"In my view, from a policy standpoint, it would appear that the administrative policies and procedures that are currently being implemented provide employees with a mechanism to attend to their family needs. The question in my mind though is whether there is sufficient statutory safe-guards to protect and employee's ability to utilize this mechanism.

"Regarding leave to attend to a seriously ill child or qualified family member, the Chair recognizes that Hawaii has long been viewed as a leader on social policy. As exemplified through the Hawaii Family Leave Law, and legislation proposed this year to clarify and strengthen the employee's right to utilize accrued vacation and sick leave for family leave purposes, I firmly believe that there are already sufficient statutory safeguards to protect an employee's ability to attend to the needs of a family member.

"However, Mr. Speaker, I also believe there is a need to establish the employee's ability to receive paid leave for parent-teacher conferences in statute. Since the current practice is authorized by Executive Order rather than by statute, there will always be the possibility for this benefit to be taken away at the whim of the Chief Executive.

"Despite this, I'm also mindful that any statutorily-based benefit will have negative impacts on the government's ability to provide high-quality and timely services to the general public. To this end, sufficient safeguards must also be established to ensure that the provision of leave for parent-teacher conferences is done in a manner that is fair and equitable to both the employer and the employee.

"Mr. Speaker, this bill seeks to find a balance between the need to promote an employee's involvement with the scholastic development of his or her child with the equally important need to ensure the efficient and effective provision of government services to the public. As presently, drafted, I believe Senate Bill No. 205, Conference Draft 1, provides this balance.

"It is my hope that both the public-sector employers and employees will implement this law in a mutually beneficial manner since it is ultimately the child's best interest that this law intends to support.

"Mr. Speaker, I believe this bill is fair, reasonable and appropriate to both the public-sector employer and the employee. As amended, this bill reaffirms the public policy established by previous legislatures that parental involvement in a child's development and education strengthens the family and the community.

"For these reasons, I respectfully urge my colleagues to support this measure.

"Thank you."

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

"Thank you, Madame Speaker. I am rising in opposition to this bill. I believe that this is something that should be left for collective bargaining and not put in the statutes. We are creating a new benefit, one that could be quite large for people with a large family with many children and for that reason, I can't support it. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 205, SD 3, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYMENT," passed Final Reading by a vote of 43 ayes to 7 noes, with Representatives Bukoski, Evans, Finnegan,

Jernigan, Meyer, Ontai and Stonebraker voting no, and with Representative Hiraki being excused.

Conf. Com. Rep. No. 78 and S.B. No. 1443, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1443, 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 and, with Representative Hiraki being excused.

Conf. Com. Rep. No. 79 and S.B. No. 1444, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1444, 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 and, with Representative Hiraki being excused.

Conf. Com. Rep. No. 80 and S.B. No. 1309, SD 2, HD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1309, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," passed Final Reading by a vote of 50 ayes and, with Representative Hiraki being excused.

Conf. Com. Rep. No. 81 and S.B. No. 1040, SD 1, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that S.B. No. 1040, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative Lee.

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

"Madame Speaker, in opposition. This is a topic that we have dealt with before. This is a modification of something that we passed earlier. Basically, the problem is the Hawaii Tourism Authority has the ability within its own boundaries to appropriate money for uses such as DLNR trails and access. It is not really the responsibility of the Legislature to make decisions like this. The Hawaii Tourism Authority is set up to make this kind of decisions and the sooner the Legislature gets out of the business of micromanaging the Hawaii Tourism Authority, the sooner the Hawaii Tourism Authority will get its own legs, grow up, and learn how to do its job right, which includes worrying about things like eco-tourism along with the rest of tourism."

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

"In support. Just to clarify that this is a housekeeping measure, to deposit the funds into the special Land and Development Fund for the Hawaii Statewide Trail and Excess program."

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

"Madame Speaker, I am rising in support with some pretty strong reservations. This bill shows what happens when you create some kind of special funds. The TAT tax was created to provide a fixed amount of money for the tourist industry so that they could promote tourism in Hawaii. Each year it seems we add another category or create another new special fund to take, to funnel-off, a certain amount of money out of that Transient Accommodation Tax. While I think it is important to I understand the argument that our trails, our parks, that was last year I think. We created a special fund with some of that money going into it for parks. Tourists use the parks and they enjoy our trails and scenic spots. But again, we create a slippery slope when we keep finding new things to fund with money that was earmarked for one specific purpose. So those are my reservations."

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

"Madame Speaker, in support. I want to make a couple of brief points. First of all, there is nothing more sacred about the tourism special fund than any of the other special funds that we utilized in order to balance the budget. And the premise that I want to speak to is the premise that it is somehow the tourism industry's money that gets put into that fund. Now I understand that when the Tourism Authority was established, and I wasn't in the building then, there was a deal struck. That there was going to be an increase in the TAT and that money would be special funded. That's great. I think we should stick to that basic underlying premise. Let's be honest. There are lots of special funds and they have all kinds of sources of revenues. We are paid to make decisions about what to do with those revenues."

"And the public policy decision that we made last year was that \$1 million out of about \$70 million that is spent on marketing Hawaii, let's put aside \$1 million and take care of our natural resources. Now that is in addition to what we put in the Department of Land and Natural Resources and elsewhere. But \$70 million in the tourism special fund, even this Session, in addition to the \$61 million which I support, that went to the HTA, your Committee on War Preparedness is authorizing another \$8 million. That's \$69 million."

"Our tourism industry is well supported in this Legislature and it should continue to be well supported. But it is a false dichotomy to claim that somehow the money that we spend on natural resource preservation is somehow coming out of the hide of the tourism industry. It is perfectly appropriate for us to spend a little bit of money taking care of those natural resources that we are so aggressively promoting. Thank you."

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

"Thank you, Madame Speaker. In support and with further clarification as alluded to earlier. We did provide last year that the first million over the cap should be allocated to the Department of Land and Natural Resources, 90% of which would go to parks and 10% to trails. However there was no depository so this is merely, as explained by the Tourism Chair, this would indicate that those monies which should be allocated to trails would be deposited in the special Land Development Fund. It really is just housekeeping."

Representative Meyer rose to respond, stating:

"Thank you, Madame Speaker. For a second time. The Representative from Makiki/Tantalus says it shouldn't be sacred that the TAT money should be kept for tourism, although it took years to pass the TAT tax because the hotels in the tourism industry fought it because they were afraid it would

make Hawaii less competitive. The problem I have with it, its like a promise is a promise. And finally when the pressure was on and they said, "Alright, but we want this designated amount for promoting tourism, so we don't have to come back to the Legislature every year and try to justify the money that we need to compete with other visitor destinations around the country." So we make a promise or we act as if we agree. But the temptation when the money is there seems to always create lots of ideas for just biting into it and taking it. So that is a concern of mine that is why I stood in support with reservations, and I think its bona fide concern because you see it over and over. Thank you, Madame Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1040, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TRANSIENT ACCOMMODATIONS TAX," passed Final Reading by a vote of 48 ayes to 2 noes, with Representatives Fox and Stonebraker voting no and, with Representative Hiraki being excused.

Conf. Com. Rep. No. 82 and S.B. No. 1505, SD 1, HD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1505, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INVASIVE SPECIES," passed Final Reading by a vote of 50 ayes and, with Representative Hiraki being excused.

The Chair directed the Clerk to note that S.B. Nos. 1352, SD 1, HD 2, CD 1; 1423, SD 2, HD 2, CD 1; 205, SD 3, HD 2, CD 1; 1443, HD 1, CD 1; 1444, HD 1, CD 1; 1309, SD 2, HD 2, CD 1; 1040, SD 1, HD 1, CD 1; and 1505, SD 1, HD 2, CD 1; had passed Final Reading at 5:30 o'clock p.m.

Conf. Com. Rep. No. 84 and S.B. No. 459, SD 1, HD 1, CD 1:

By unanimous consent, Conf. Com. Rep. No. 84 and S.B. 459, SD 1, HD 1, CD 1, was deferred to end of calendar.

Conf. Com. Rep. No. 83 and S.B. No. 582, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 582, HD 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. 85 and S.B. No. 1134, SD 1, HD 1, CD 1; and

Conf. Com. Rep. No. 86 and S.B. No. 1135, SD 1, HD 1, CD 1:

Representative Saiki moved that the reports of the Committees be adopted and that S.B. No. 1134, SD 1, HD 1, CD 1, and S.B. No. 1135, SD 1, HD 1, CD 1, and pass Final Reading, seconded by Representative Lee.

Representative Fox rose to speak in opposition to the measures, stating:

"Briefly on Conference Reports 85 and 86, related bills. The 85 is to create a special fund and collect fees, and I am in opposition. And 86 is to raise the ceiling to allow more money

to be collected. I don't understand why we have these two bills. We passed the Judiciary budget earlier. That is where you should take care of things like this. Thank you, Madame Speaker."

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

"Thank you, Madame Speaker. On Conference Committee Report No. 85, which is related to 86, I will be voting no on that. This is to raise funds for this computer system that the Judiciary wants. But it creates new fees. Administrative costs that will be added to filing fees for anybody who is filing this suit. So those are new fees and for that reason I will be voting no. Thank you."

The motion was put to vote by the Chair and carried, and the reports of the Committees were adopted and S.B. No. 1134, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO COURT COSTS," passed Final Reading by a vote of 41 ayes to 10 noes, with Representatives Blundell, Fox, Jernigan, Leong, Marumoto, Meyer, Moses, Ontai, Stonebraker and Thielen, voting no; and,

S.B. No. 1135, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO COURT FEES," passed Final Reading by a vote of 48 ayes to 3 noes, with Representatives Fox, Jernigan and Stonebraker, voting no.

Conf. Com. Rep. No. 87 and S.B. No. 1333, SD 1, HD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that S.B. No. 1333, SD 1, HD 2, CD 1 pass Final Reading, seconded by Representative Lee.

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

Representative M. Oshiro's written remarks are as follows:

"Mr. Speaker, I rise in favor of Senate Bill No. 1333, House Draft 2, Relating to the Compensation of Officials in the Judicial Branch of State Government.

"This bill would:

- Authorize the Judiciary Salary Commission to determine the salaries for justices, judges, and appointed Judiciary administrative officers effective July 1, 2004, and every eight years thereafter, subject to legislative disapproval;
- Allow the Commission to recommend incremental salary increases that take effect over the span of years occurring prior to the convening of the next Commission;
- Allow the Commission to reconvene in the month of November following legislative disapproval of a salary recommendation to review the legislature's reasons for disapproving its salary recommendation, and allowing the Commission to submit a new salary recommendation in the next regular session.

"By way of background, the salaries of legislators are determined by a Commission on Legislative Salaries in accordance with Article Three, Section Nine of the Hawaii State Constitution. Under this provision, not later than the fortieth legislative day of the Regular Session of 1979, and every eight years thereafter, the Commission on Legislative

Salaries is required to submit recommendations to the Legislature and the Governor.

"The recommended salary becomes effective as provided in the recommendation unless:

- The Legislature disapproves the recommendation by the adoption of a concurrent resolution prior to the adjournment sine die of the legislative session in which the recommendation is submitted; or
- -The Governor disapproves the recommendation by a measure of disapproval transmitted to the Legislature prior to the adjournment of that session.

"Under this law, any change in salary does not apply to the legislature in which the recommendation for the change in salary was submitted.

"In recent months, the issue of establishing a mechanism to automatically adjust the salaries of department heads has been a topic of much discussion. The Governor has "belly-ached" on how the "ridiculously" low salaries has hindered her ability to attract quality candidates for directors and deputy director positions.

"In addition, with the Legislative Salary Commission recently issuing their recommendation of giving us a marginal raise during the next Legislature, it seems as though I see a "letter to the editor" in both of the major newspapers every day on how we, "the low-down rascals", don't deserve the raise.

"In my view, legislators, appointed department heads of the executive branch, and to a certain extent, the justices of the Supreme Court, and judges, all are public officials who should be treated on an equal footing to the extent appropriate under the separation of powers doctrine.

"This bill and Senate Bill No. 1332, Conference Draft 1, would do this by conforming to a certain degree the Executive and Judicial Branches with the process used by the Legislative Branch. In addition, sufficient safeguards have been placed in these bills to ensure that the Legislature retain its "power of the purse" by giving it the authority to reject the salary recommendations for the executive and judicial branches.

"Mr. Speaker, I believe this bill, and Senate Bill No. 1332, Conference Draft 1, are good bills and I urge my fellow colleagues to support these measures.

"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. 1333, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE COMPENSATION OF OFFICIALS IN THE JUDICIAL BRANCH OF STATE GOVERNMENT," passed Final Reading by a vote of 45 ayes to 6 noes, with Representatives Finnegan, Fox, Jernigan, Meyer, Stonebraker and Thielen, voting no.

At 5:33 o'clock p.m., Representative Souki requested a recess and the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 5:34 o'clock p.m.

Conf. Com. Rep. No. 89 and S.B. No. 44, SD 2, HD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that S.B. No. 44, SD 2, HD 2, CD 1 pass Final Reading, seconded by Representative Lee.

The Chair recognized Representative Caldwell, stating:

"Representative Caldwell, would you like to submit your comments since we had a lot of discussion on 89 earlier?"

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

"Madame Speaker, I would prefer to give some comments on this bill. Thank you very much, Madame Speaker. I rise in strong support of this legislation. The airport concessionaires face a business nightmare right now out at the airport which is unparalleled in our State's history. No matter what our State Attorney General says Madame Speaker, affected concessionaires were in the first year of a five year contract when 9/11 happened. The bids were rational when they were bid pre-9/11. Now after 9/11, the concessionaires find themselves in a virtual prison out at the airport. No other business in our State comes even close in terms of business conditions that they face. As one of our fellow legislators recently stated in this Body, passengers have to run the gauntlet of security, armed guards, complete searches, and if you are lucky after standing in a very long line, you'll be able to make your flight. No one gets in unless you carry an expensive ticket, and no one gets out with a very pleasant experience. It is not exactly the ideal mood for shopping. There is no hanging around to say good-bye, and there is no hanging around to greet your loved ones. Those days are over for us in our State, and it is over for the concessionaires out at the airport.

"What the State has shown is that they are not willing to do anything regarding this. They did not want to negotiate the contracts until it looked like the Legislature was serious about pushing through the current legislation we are voting on today. If these contracts had *force majeure* clauses like most contracts do in the private sector, we'd not be here today debating this issue. These conditions would have been renegotiated after 9/11. But the Attorney General really does not want to change the language. He does not support language, whether it be legislation or the contract ..."

Representative Moses rose and stated:

"Point of information. Are we allowed to speak about the intent of somebody in the Executive branch? We can't do that to one of us here."

The Chair responded, stating:

"You can't talk about the intent of the colleagues, but you can talk about other things."

Representative Moses: Then I rise with some grave concerns that we are putting words into the mouth of the Attorney General. First of all he is the Attorney General of the entire State and the people. And he never said that he doesn't support the concessionaires. And that is what I thought I heard."

Vice Speaker Luke: "Representative Moses, you can make your comments later. Representative Caldwell, please proceed."

Representative Caldwell continued, stating:

"Thank you, Madame Speaker. In fact I did ask the Attorney General whether he agreed to change in the language in the legislation and he told me, "No. Thank you."

"So, what are we faced with?"

Representative Fox rose to a point of order, stating:

"Point of order, Madame Speaker. The Attorney General has said very clearly that he does want to change the language and that is why we debated an amendment earlier today. So that is absolutely contrary to what the previous speaker just said."

The Chair then stated:

"Thank you. Please proceed, Representative Caldwell."

Representative Caldwell continued, stating:

"Yes, thank you very much, Madame Speaker. Yet this resistance to negotiating, and to sue instead and fight, is in no ones long term best interest. Hawaii's airports are our front doors Madame Speaker, and the concessionaires are an integral part of making sure that our front doors operate successfully. Without the concessionaires, our airports would be pretty dismal places.

"Our concessionaires have provided billions, yes, billions of dollars in revenue to our airport general fund since the 1960s. The revenues from these concessionaires have gone to build the new terminals in places like Kona, Hilo, Kahului, Lihue, and the new inter-island terminal in Honolulu. The runway in Kona that now accommodates international flights from Japan could not have been built without the funds from the concessionaires. This is unless we would have jacked-up the landing fees Madame Speaker, or the joint-use fees, or the exclusive-use rental fees to our airlines. But we did not elect to do that. Instead we have kept these fees lower than most other airports. To keep those tourists coming, which in turn has helped to insure the vitality of our number one industry.

"The norm at almost every other airport in the nation is that airlines provide 50% to 60% of airport revenues. And concessionaires 20% to 30%. However in our State Madame Speaker, it is the other way around. 20% to 30% is provided by airlines and 50% to 60% by the concessionaires. Now that concessionaires are asking for relief not in the form of litigation, which is what the State has elected to do so far, but through legislation. Ideally it would have been better for the State to have negotiated new contract terms of its own accord. It has elected not to do so leaving the Legislature Madame Speaker, with no alternative but to mandate that the State negotiate. Thank you, Madame Speaker."

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

"Thank you, Madame Speaker. In opposition. The situation is that we are looking for a level playing field; fair and balanced negotiations. The Attorney General has been working vigorously to try to amend this legislation so that it would provide for just that kind of situation. There'd be fair and balanced negotiations. The really unfortunate thing is that as long as DFS is allowed to bid as one person or one entity for both the Waikiki and airport segment, it has no competition.

"That is the situation with DFS. The rest of the concessionaires have been assembled like a 'human shield' so that the previous speaker and others could refer to this legislation as being about concessionaires, plural. We are not talking about concessionaires, plural. We are talking about two different parties. One, the 1,000 pound gorilla, DFS, that is perfectly capable of taking care of itself under all circumstances. Negotiations with or without a bill, whatever. They'll be in there able to take care of themselves. The other concessionaires who stand in the position of losing everything

that they've fought for if this bill does not get through, or if this bill passes and the FAA is successful in ruling that the concessionaires cannot get relief under this bill because the airports special fund cannot be mandated for that purpose. So in two possible eventualities, the concessionaires will lose out if this bill goes forward. Number one, if it never goes into affect because it is vetoed. Number two, because even if it does go to in affect, the FAA rules that it cannot proceed as relief for the concessionaires.

"So why are we standing on this floor acting like we are helping the concessionaires by passing this bill? Except for Duty Free, it is the other way around. If we want to help concessionaires, we should be doing exactly what the Attorney General is trying to do. An absolute contrast to what the previous speaker said and that is work out a basis for negotiations. We all understand that the concessionaires are adversely affected by the events of 9/11. We all understand there is a need for negotiations. We are part of the State of Hawaii. Our Attorney General has told us how to proceed to provide relief and we insist on walking down a path that could seriously damage the little concessionaires. Thank you, Madame Speaker."

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

"Madame Speaker, I rise in support of this measure. In regards to fairness, S.B. 44 has been amended to give the administration as much flexibility as possible. The bill, as amended, provides that if the Administration and concessionaires cannot agree on relief, the Administration can either; 1) terminate the concession contract; or 2) force the concession to remain in business on a break even, no profit basis. Even if expenses exceed income, the Administration can require the concession to pay some rents in addition to its monthly losses for a period up to 6 months. Disputes as to what constitutes break even, no profit rents would be decided by a court-appointed arbitrator. Moreover, anytime while a concession is receiving relief, the Administration can terminate the concession contract.

"This measure will also allow fair market rents to be applied, which will obviously be lower after *force majeure* events occur such as September 11th and the War on Iraq. The fact that the bill gives the Administration the right to terminate the contract and put it out to bid ensures that it will have the opportunity of seeking fair market rents at all time. Further, the fact that the bill allows the Administration to require the concessionaires to remain in business on a break even, no profit basis provides the Administration with the option of recovering better than fair market rents since no one remains in business on a break even, no profit basis.

"Some of my colleagues on the other side of the aisle mentioned that the smaller concessionaires should be separate from bigger concessionaires. Why split up a handful of companies in this regulated industry? By doing this, the Administration can divide and conquer, and broker different deals with the various concessionaires. This would lead to unfairness to certain concessionaires because of their gross sales, size and type of customers.

"The Administration and some Members across the aisle keep mentioning Hawaii's largest concessionaire, Duty Free Shoppers, which is being targeted because of its size and the amount of money they generate for the State. DFS Waikiki store was again mentioned as one of the reasons for the attention being placed on the company. As I stated in the past on the floor, had it not been for the DFS Waikiki store, the State would not have been able to receive approximately \$2.5

billion, and a good number of the \$575 million unrestricted-surplus-special fund is from DFS.

"It still allows the competitors to outbid DFS and the bill allows a 10% bid that is higher than Duty Free and it will allow another company from getting into the industries business.

"I would also like to mention that on December 2, 2002, the Administration explained that Hawaii is now open for business. Those words meant a lot to me; however actions speak louder than words. Let me emphasize that the concessionaires are businesses that hire local employees and pump millions of dollars into our State. While the House is encouraging new businesses and investments in the knowledge-based industries, it is keeping current jobs alive and revenues flowing in the regulated industries, the airlines and now the concessionaires. Yet the Administration has proposed to gut Act 221 and refused to negotiate with the concessionaires until the Legislature introduced relief bills for them this session."

Representative Stonebraker rose to a point of order, stating:

"Point of order. I am wondering what Act 221 has to do with this measure and why the speaker brought that up."

The Chair responded, stating:

"I think that he is making a reference."

Representative Stonebraker: "Does that have anything to do with this bill?"

Vice Speaker Luke: "He is just making an analogy."

Representative Stonebraker: "Could you ask the speaker to refrain from straying from the contents of this bill? Thank you."

Vice Speaker Luke: "The Chair will allow him. Please proceed, Representative Karamatsu."

Representative Karamatsu continued, stating:

"Basically this measure and Act 221 are as pro-business as you can get. The actions taken by the House of Representatives and the Senate clearly show that yes, Hawaii is indeed open for business. Thank you, Madame Speaker."

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

"Thank you, Madame Speaker. I am rising to speak against the DFS concessionaire bill, S.B. 44, CD 1. Thank you, Madame Speaker. I wanted to quote now on this bill, quote from the letter from the Attorney General. Written April 28th of this year.

"Senate Bill 44, the Conference draft 1, provides mandatory rent relief to airport concessionaires. While the concessionaires themselves do not characterize the bill as providing mandatory rent relief, it clearly does, notwithstanding the fact that some provisions of the bill, which use the term 'may' are discretionary. S.B. 44 is possibly illegal under federal law. The FAA has sent us a letter expressing concerns about the legality of a prior version of this bill."

"And as I had mentioned earlier Madame Speaker, that bill was attached to the letter and was provided to your leadership.

"This will tie the hands of the State in negotiations with the concessionaires. The bill also mandates relief for permit holders as opposed to just lessees. The bill's relief

qualifications requirements are questionable from a policy perspective at least. On Friday, the Governor's senior policy advisor, Randy Roth, informed the concessionaires that the Governor would veto the bill because the bill was bad from a policy perspective and clearly not in the best interest of the State. S.B. 44 provides what is in essence, tens of millions of dollars of benefits to concessionaires and could provide to Duty Free Shoppers alone, benefits approaching a hundred million over the remaining life of the Duty Free Shoppers contract.

"The bill mandates that if the State cannot reach agreement with the concessionaire, then it must either, one, terminate the contract and give up any right to call upon the concessionaires' performance bond, and give up most or all of its right to back rents. Or two, leave the amounts to be paid in rent in the hands of a court-appointed CPA with likely millions of dollars of mandated relief. Duty Free Shoppers' performance bonds, which the State would lose the right to call upon, approach \$50 million. The bill is simply a bold attempt by the concessionaires, led by Duty Free Shoppers to raid the public fund."

"And Madame Speaker, we're talking about money that is due to the State of Hawaii, and if it is not paid to the State of Hawaii, money that must be paid by the taxpayers ultimately to keep the State operating.

"The Attorney General goes on. 'The bill is vague and ambiguous to start with, and will create substantial legal uncertainties if passed and is grossly unfair to the State. It is quite simply a multi-million dollar giveaway at a time when the State is in dire fiscal straights. At a time when the State is operating with extraordinarily reduced revenues, it is very difficult to understand why the Legislature would want to enact a bill like this one.

"Last Thursday, in an attempt to break a log-jam on the bill," and then he mentions, I won't go into this. He did a draft bill which we introduced earlier today but which the Democrats voted down. I will go on with on this bill. "I believe we are heading with a most unfortunate situation. If Senate Bill 44 passes in its current form, it will I believe, be vetoed. That leaves the State with almost no discretion with regard to negotiating with the smaller concessionaires, except essentially to insist on full rent or to terminate leases in a circumstance where the concessionaires would likely be liable for damages and would not likely be able to bid on a new lease.

"The situation is different with regard to Duty Free Shoppers, which is why I believe Duty Free Shoppers paid the State \$25 million and agreed to negotiate a possible withdrawal and re-bid."

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

Representative Thielen continued, stating:

"Of course the Legislature certainly could decide to override the veto. This action, while clearly be within the Legislature's discretion and would be in my view an action clearly anti-..." I may have trouble with the word. I guess, "opposed to sound public policy. I should note that the overwhelming sentiment, which this Department and the Governor received from the public following the Duty Free Shoppers lawsuit, has been very supportive. And mostly following along the lines of, 'If you give them a huge break, everyone should get one, and the State clearly can't afford that. Keep up the good work.' This sentiment is expressed to me everywhere I go."

"In closing, the Attorney General states, 'I urge you not to pass Senate Bill 44 because it is, I respectfully suggest, a bill

that while unquestionably in the best interest of the concessionaires, is unquestionably not in the best interest of the State of Hawaii."

"Madame Speaker, the attachments I think, are very clear. The Federal Aviation Administration is saying that this move would be in opposition to federal law. And in fact, the FAA states, "We strongly object to the portions of this pending Hawaii legislation that have the potential to conflict with federal law or impair the airport's ability to meet its grant assurance of obligations. Enactment of State legislation that is inconsistent with the State of Hawaii's obligation, under its AIP grant agreements, could jeopardize future federal funding for airport projects."

"There is a major implication by passing this bill Madame Speaker, and that's why those of us that are opposed to it are arguing so vehemently to say don't pass the bill. And then the UBS Paine Webber, I know that the Transportation Chair just discarded that, but UBS Paine Webber is talking about that the Airports Divisions could find itself quickly in the position of being unable to meet its existing external obligations. Needed capital improvements and ongoing maintenance might have to be deferred or postponed indefinitely due to a lack of cash in the system. And UBS Paine Webber does say that this kind of situation could jeopardize the Airport Division's A category bond ratings causing future borrowings to be significantly more expensive.

"Madame Speaker, the bill as it is written, is a bad bill and I respectively urge colleagues to vote no on this measure."

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

"Madame Speaker, I did not intend to speak, but in hearing all of the statements, and I'm speaking in favor of this. All the statements made by the Representative from Kailua. Madame Speaker, for one thing, the use of Airport funds will not jeopardize the State budget. It's a special fund. In fact, you cannot use any funds from the Airport for anything other than Airport use.

"Number two, Madame Speaker and Members. The State of Hawaii, Airport Division, has the largest surplus in the whole nation, \$550 million. Their bonding and their debt is not jeopardized. In fact they have 'tons of cash', if I can use this term, literally and liberally. So I don't know where Paine Webber or where the Representative comes up with why the funds may be jeopardized, or that you cannot use airport funds to renegotiate. At this moment LAX is negotiating. In fact they have completed their negotiations for some remedy to lower it ...

"I believe the Representative from Kailua ... Madame Speaker, am I on?"

The Chair responded, stating:

"I'm not touching your button."

Representative Souki continued, stating:

"Well, there is something tapping my microphone here and I am looking on that side over there, Madame Speaker.

"But I just want to re-emphasize strongly, that the Airport in the State of Hawaii is not in jeopardy if the parties renegotiate in good faith, and they provide some financial assistance in lowering the rent. Let me add also, as was previously stated by my Vice Chair, most private enterprises, in fact all, practically all, provide a *force majeure*, whenever there is any hardship

because of some circumstances beyond the merchandiser's or the business' control, they go into *force majeure* for some remedy. It's much more feasible to keep the business rather than having the business go bankrupt and leave, and then you don't have any remedy. So this is simply what we are intending to do.

"And let me make mention of another thing. The concessionaires since January have been wanting to negotiate with the Governor. I have personally called the Director of DOT to sit down and negotiate up until a few weeks ago when they forced the Duty Free to provide \$25 million, upfront, to even begin to begin the discussion. Now talk about extortion. That is extortion. So they provided the \$25 million and even then, the discussions have been very limited. So we don't have any choice but to have legislation like this to persuade, if I can use this term, the Administration and the Attorney General to negotiate in good faith, with the concessionaires. Thank you very much, Madame Speaker."

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

"Thank you, Madame Speaker. In opposition. Very briefly. The previous speaker, the esteemed Chairman of the Transportation Committee was talking about the Airport funding being in very good shape with the \$500 million surplus. And that does sound like a lot of money. That is a lot of money. Yet on the other hand, I remember a few years ago when it was over \$1 billion, so it has fallen precipitously since that time. From someone who is knowledgeable, my understanding is that the Airport Fund is not all that healthy and could use ongoing revenues to stay with its head above water. There have been times when the previous Governors have given waived landing fees. Perhaps in the future, we will also like to waive landing fees for airlines, and that comes out of the Airport Fund. So it behooves us to make sure that it does stay very healthy.

"The Chairman of Transportation also talked about the *force majeure* provision in the bill and it's nice to be able to provide such protection to the businesses at the airport, but I'm sure all businesses away from the airport would also like to have that kind of protection. Big business and small business.

"I think the Chairman of Transportation gets his 'button pushed' by the Representative from Kailua, and she did a beautiful job in talking about the Attorney General's letter. The attachment from the FAA and the Paine Webber attachment. So I will conclude by just saying that I would accept her words as her own, and encourage all of you to please consider seriously voting down this bill. We don't want to have to go into Special Session later if this bill is flawed. Mahalo."

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

"Rising in opposition. And I would not have done so without the wonderful words of the Vice Chair of Transportation. So I have to thank him very much. I would have let this bill go. I've tried to work with the concessionaires through this whole Session. I honestly believe the concessionaires need relief. I hope there is some way they can still get relief. But when I hear the Vice chair of Transpirations impugn the motives of the Attorney General when I know that's not true, that sets me on fire, Madame Speaker. And I'm tired of hearing that the Governor did this, and the Attorney General did this, and they don't want to relieve the concessionaires. They don't want to help anybody. They are against the people. That's all I hear in this Chamber and that's not true. And I think you all know that it's not true.

"The Representative from Village Park said the concessionaires hire employees. Madame Speaker, if the concessionaires lose their bonds and go out of business, they won't hire employees. I think you need to bear that in mind. We talk about *force majeure*. We talk about a contract in existence now. Do we want to modify that? That can be done later. That's not the issue with this bill. We hear that the government can terminate the contracts. That doesn't help the small concessionaires. It puts them out of business. Sure, we can terminate the contracts. What does that help? What do we gain from that?"

"I can go on and on. But I hurt for the small concessionaires especially. They need help. This bill might force them out of business and I think this Chamber should have understood that all along, and not say that the Governor or the Attorney General or the Director of Transportation are against these people, because they are not. Thank you."

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 44, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TRANSPORTATION," passed Final Reading by a vote of 42 ayes to 9 noes, with Representatives Ching, Finnegan, Fox, Halford, Leong, Marumoto, Moses, Stonebraker and Thielen, voting no.

Conf. Com. Rep. No. 90 and S.B. No. 464, SD 2, HD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 464, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO IMPLEMENTATION OF A FIXED RAIL TRANSIT SYSTEM," passed Final Reading by a vote of 48 ayes to 3 noes, with Representatives Jernigan, Stonebraker and Thielen, voting no.

The Chair directed the Clerk to note that S.B. Nos. 582, HD 1, CD 1; 1134, SD 1, HD 1, CD 1; 1135, SD 1, HD 1, CD 1; 1333, SD 1, HD 2, CD 1; 44, SD 2, HD 2, CD 1; and 464, SD 2, HD 2, CD 1; had passed Final Reading at 6:06 o'clock p.m.

Conf. Com. Rep. No. 91 and S.B. No. 528, SD 2, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 528, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE TRANSFER OF COUNTY LANDS AND IMPROVEMENTS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 92 and S.B. No. 1262, SD 1, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that S.B. No. 1262, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative Lee.

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

"Thank you, Madame Speaker. On S.B. 1262, procurement provisions. I stand in support, but I have a big comment to relay to the colleagues of this Chamber. As we went through the Conference, and I just wanted to thank the Representative from the 5th district for doing a fine job, and also our Chairman of the CPC and also Representative Colleen Meyer.

"We had many drafts on this bill, as I look at this procurement bill. This procurement bill, it is a good bill that we have. But one thing that happened with this bill as we went through Conference was on page 17, section 8, regarding to preference to bidders on State agency contracts. What happened on this was it was delineated. What it does is that if you are a contractor, when you bid on a project or when you get asked for final payment, you have to go for a tax clearance. A tax clearance means that you have to identify any monies that you owe to the State. These are the provisions that we need right now. That was inadvertently was taken out. Because by not having this you'll have all contractors, whether you have a contractor's license, whether you didn't pay your State taxes, or come up in arrears or are current. You don't have to pay it.

"The point I am trying to get at is, that since our revenues for our State is in dire need, most of the jobs we have through CIP or the contracts, whether City or State, we need to make sure the contracts become whole. So it basically gives the money to the State coffers. What I am saying is to build is good. It helps the A and E, but there is one portion in this bill that was inadvertently eliminated, and I hope that if this bill passes out, we can revisit it next Session. 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. 1262, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PROCUREMENT," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 93 and S.B. No. 254, SD 2, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 254, SD 2, HD 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. 94 and S.B. No. 534, SD 2, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 534, SD 2, HD 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. 95 and S.B. No. 1258, SD 1, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that S.B. No. 1258, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative Lee.

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

Representative Pendleton's written remarks are as follows:

"Mr. Speaker, I rise in strong support of Conference Committee Report 95, Senate Bill 1258, Senate Draft 1, House Draft 1, Conference Draft 1, relating to the Agribusiness Development Corporation.

"This bill retains the current selection process for the board of directors of the Agribusiness Development Corporation by repealing provisions that establish the members of the Board of Agriculture as the members of the board of directors of the Agribusiness Development Corporation.

"I strongly support this bill because 1) it maintains the currently effective status quo; 2) it benefits the Agribusiness Development Corporation; and 3) it allows Hawaii's agricultural industry to fully benefit from the efforts of the board members appointed by the Governor.

"I agree with the Governor in that the current selection process for the Agribusiness Development Corporation works. The board's work has proved its effectiveness many times. This includes successes in acquiring, operation, maintaining and repairing the Waiahole Ditch, solving transitional issues related to 28,000 acres of land at Kekaha, Kauai, and facilitating the re-opening of the Tropical Fruit Disinfestation Facility on Kauai. In addition, the board has initiated the establishment of an agriculture subdivision on the Hamakua coast and begun the work of a state-wide marketing program for Hawaii's agricultural products.

"With examples of such successes, changing the current system does not make sense. However, without this bill, the current statute will change the composition of the Agribusiness Development Corporation on July 1, 2005. To cliché, we do not need to fix what is not broken.

"Third and finally, this bill benefits the Agribusiness Development Corporation. Without this bill, the Board of Agriculture members will replace Agribusiness Development Corporation board members. Although both boards deal with agricultural issues, the Board of Agriculture functions mainly as a review committee. Its specialty includes dealing with regulatory and agriculture park issues.

"On the other hand, the Governor selected the Agribusiness Development Corporation board members based on their knowledge, experience, and expertise in agriculture, marketing, banking, finance, real estate, and management. The Agribusiness Development Corporation board functions as a work group to deal with transitional issues.

"In other words, these two boards have very different specialties. This is not to say that one board has a more difficult job or that one board is better than the other is. However, each board has its own strengths. It would be akin to comparing a competitive swimmer with a water polo player. Both athletes participate in a water sport and have similar skills in the water. Swimmers can tread water like a polo player and a water polo player can swim. However, each athlete has different strengths and specialties in the water and his or her skills should be utilized accordingly. A water polo player is most effective in the water when he or she is playing water polo instead of swimming the 100-meter butterfly in a swim meet. Likewise, these two boards each have their own strengths and are most effective when doing the job they specialize in. This bill allows the Agribusiness Development Corporation to benefit from the expertise and pro bono work provided by board members.

"Third and finally, this bill allows Hawaii's agricultural industry to fully benefit from the efforts of the board members appointed by the Governor. Continuing the current Board selection system will enable the public to benefit from future

projects modeled after successfully facilitated projects by the current Board. The agricultural industry will benefit from experience of the current Board as well as the consistency of maintaining the status quo.

"For these reasons, Mr. Speaker, I strongly support Conference Committee Report 95, Senate Bill 1258, Senate Draft 1, House Draft 1, Conference Draft 1, relating to the Agribusiness Development Corporation. And I urge all of my colleagues to also support its passage. 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. 1258, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE AGRIBUSINESS DEVELOPMENT CORPORATION," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 96 and S.B. No. 1403, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that S.B. No. 1403, HD 1, CD 1 pass Final Reading, seconded by Representative Lee.

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

Representative Pendleton's written remarks are as follows:

"Mr. Speaker, I rise in strong support of Conference Committee Report 96, Senate Bill 1403, House Draft 1, Committee Draft 1, relating to Department of Transportation's maritime related uses.

"This bill provides the Harbors Division of the Department of Transportation with greater flexibility for issuing leases in the development of its harbor lands and facilities by expanding the definition of acceptable activities for harbor leases to include maritime related activities.

"I strongly support this bill because: 1) it increases flexibility within the Department of Transportation by expanding the definition of activities the Department may lease to, thus diversifying harbors; 2) it allows the Department of Transportation to do its job more effectively; and 3) it helps keep Hawaii's cost of goods lower.

"Hawaii's island status makes it the most maritime state in the nation. As a result, Hawaii remains critically dependent on its harbors and harbor infrastructure to import life-sustaining supplies.

"Currently, the leasing and development procedures of the Harbors Division of the Department of Transportation are cumbersome and inflexible. This bill would expand the types of public land leases that can be issued through negotiation to include disposition of public land for maritime-related users and uses without regard to certain limitations imposed under the public land law.

"Second, the expansion provides the Department of Transportation with the necessary flexibility in order to enhance efficient and effective use of its resources. This will, in turn, allow the Department of Transportation to be more effective in doing its job.

"Third and finally, this bill helps keep Hawaii's cost of goods lower. By amending Section 171-59(b) of the Hawaii Revised Statutes to include "maritime-related" users and uses, there will be an increase in economic diversity in the development of

public lands. This economic diversity will result in the lowering of cost of goods in Hawaii. The diversifying of harbor revenues will reduce the pressure to raise wharfage. In addition, the provision will help encourage the growth of Hawaii's cruise industry.

"For these reasons, Mr. Speaker, Conference Committee Report 96, Senate Bill 1403, House Draft 1, Committee Draft 1, relating to Department of Transportation's maritime related uses. And I urge all of my colleagues to also support its passage. 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. 1403, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DEPARTMENT OF TRANSPORTATION'S MARITIME-RELATED USES," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 97 and S.B. No. 1496, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, and the report of the Committee was adopted and S.B. No. 1496, HD 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. 98 and S.B. No. 1440, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that S.B. No. 1440, HD 1, CD 1 pass Final Reading, seconded by Representative Lee.

Representative M. Oshiro rose to speak in support of the measure, stating:

"Madame Speaker, I rise in strong support. This measure is essentially a funding mechanism for collective bargaining 5, which is our public school teachers, represented by the Hawaii State Teachers Association. What this bill does is provide funding for the fiscal biennium 2003-2005 and the following: For 2003-2004, \$7,864,862, from the general fund to pay for the employer contribution to the employee union trust fund benefits cost pursuant to an agreement negotiated with the Hawaii State Teachers Association. We do the same in fiscal year 2004-2005 by appropriating from the general fund to cover the same cost pursuant to this agreement of \$13,841,653. I just need to state that for the record. It is my understanding further Madame Speaker that this represents a 65% to 35% split between the employer and the employee for the cost of the health fund premiums. 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. 1440, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO COLLECTIVE BARGAINING COST ITEMS," passed Final Reading by a vote of 51 ayes.

The Chair directed the Clerk to note that S.B. Nos. 528, SD 2, HD 1, CD 1; 1262, SD 1, HD 1, CD 1; 254, SD 2, HD 1, CD 1; 534, SD 2, HD 1, CD 1; 1258, SD 1, HD 1, CD 1; 1403, HD 1, CD 1; 1496, HD 1, CD 1; and 1440, HD 1, CD 1; had passed Final Reading at 6:11 o'clock p.m.

Conf. Com. Rep. No. 99 and S.B. No. 1441, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1441, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR

COLLECTIVE BARGAINING COST ITEMS," passed Final Reading by a vote of 48 ayes and, with Representatives Caldwell, Ontai and Takai being excused.

Conf. Com. Rep. No. 100 and S.B. No. 1332, SD 2, HD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1332, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE COMPENSATION OF OFFICIALS IN THE EXECUTIVE BRANCH OF STATE GOVERNMENT," passed Final Reading by a vote of 48 ayes and, with Representatives Caldwell, Ontai and Takai being excused.

Conf. Com. Rep. No. 101 and S.B. No. 540, SD 1, HD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that S.B. No. 540, SD 1, HD 2, CD 1 pass Final Reading, seconded by Representative Lee.

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

"Madame Speaker, on Conference Committee Report No. 101, S.B. 540, SD 1, HD 2, CD 1, I stand in strong support Madame Speaker. Madame Speaker and colleagues, I have spoken many times over the years about the ongoing need for research and development, and this is to ensure the continued success and growth of our agriculture industry. I am standing here today again to make sure that we fully understand this decision that we have made because this is going to have a very big impact as to our economy. I am pleased to say that this Body has supported efforts in the past relating to this issue. So today colleagues, I ask for your support once again.

"In the past Madame Speaker, we have urged the agriculture community to unite their efforts to address their priority concerns, and to form public-private partnerships in accomplishing their goals. They have done this. Last year, the Hawaii Farm Bureau, they united behind an effort to support the irrigation infrastructure of this State and so now this year, they have again reunited to seek research and market development funds. The Hawaii Farm Bureau, the University of Hawaii College of Tropical Agriculture and Human Resources or CTAHR, and of course Hawaii Agriculture Resource Center or HARC. They are the forerunners of collaborated efforts in agricultural research in Hawaii. Each on their own is unique, but they compliment each other's efforts in assuring a broad array of assistance they can offer to the agricultural community.

"Agricultural businesses are growing and diversifying and are being successful in spite of the difficult times our State has been experiencing over the past years. The agricultural business sector continues to meet the challenge of the decline of the sugar industry and its been growing at about 4% every year. Pineapple for example, is still one of Hawaii's largest crops with the farm value of \$96.3 million. The industry employs 3,000 people annually, but like other commodities, pineapple faces heavy competition from other countries. Their survival depends on our ability not only to grow the best Hawaiian pineapple, but also to grow it in the most cost efficient way. We also need to develop a strategy to increase it demands in the marketplace worldwide. Again the key is research and development.

"Farmers need research just like the car dealers need new products on a regular basis. They need new varieties of crops that are resistant to pests, have new or improved flavor, appearance, attractive packaging, etc. They need fresh products made into consumer friendly forms, or processed products with extended shelf lives. Research and development is at the heart of these new uses or new improved products. It is an investment. The USDA just turned in that that return on funds invested in agricultural research is higher than virtually any other businesses. S.B. 540 provides funds to continue to develop many new products in agriculture. The steady erosion of funds from research and development activity over the past decade has put a tremendous burden on this industry. This is truly sad and disappointing for all of those who work hard to promote agriculture self-sufficiency.

"Hawaii's farmers like their counterparts throughout the nation and in other countries, need strong government support for research to improve their yields and product quality, and to increase efficiency in order to compete in the market place. But as we all know Madame Speaker and colleagues, agriculture is not just about producing food. For many residents in rural areas, farming is a primary means for making a living and in this regard, agricultural research not only improves the quality of our crops and the food in our supermarkets. In a real sense, it helps to maintain the quality of life for all our residents. Thank you."

Representative Magaoay rose in support of the measure and asked that the remarks of Representative Abinsay be entered in 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. 540, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR AGRICULTURAL RESEARCH AND DEVELOPMENT," passed Final Reading by a vote of 48 ayes and, with Representatives Caldwell, Ontai and Takai being excused.

Conf. Com. Rep. No. 102 and S.B. No. 317, SD 2, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that S.B. No. 317, SD 2, HD 1, CD 1 pass Final Reading, seconded by Representative Lee.

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

"Thank you, Madame Speaker. I am rising in support. We did not get the money that we hoped for the Commission, but I thank the Finance Chair and the Senate Ways and Means and all of the Conferees for the fact that we did get something.

"This is something that we can't come back and do ten years from now. I mean, this is the 50th anniversary. This is the time to do it, so I am glad that we got the money for the commemoration, although not as much as we hoped for. 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. 317, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE FIFTIETH ANNIVERSARY COMMEMORATION OF THE KOREAN WAR COMMISSION," passed Final Reading by a vote of 48 ayes and, with Representatives Caldwell, Ontai and Takai being excused.

Conf. Com. Rep. No. 103 and S.B. No. 1050, SD 2, HD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that S.B. No. 1050, SD 2, HD 2, CD 1 pass Final Reading, seconded by Representative Lee.

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

"Thank you very much, Madame Speaker. I'd like to speak in strong support of Conference Committee Report No. 103. I know a little about history of the World War II Filipino American Veterans. I have been a legal advisor for the group since 1994. Since that time, I've learned lots of what those Filipino American Veterans were all about.

"As I understand it, during the occupation of the Philippines, Americans recruited Filipino citizens. We are not talking about the Filipino Regiment that came from America. These were citizens of the Philippines and at that time, they were under occupation. General MacArthur promised to come back, but he didn't come back soon enough. A lot of these families, a lot of these people that were involved in the war who are commissioned as soldiers for the United States Army. These Filipinos fought and held the fort. Or created enough problems for the Japanese Army that invaded the Philippines. long enough for General MacArthur to come back and win the war.

"The problem is that in 1946, the Organic Act in '46 sort of left them out; to hang to dry. But what happened is the promise of citizenship, the promise that they will have benefits, but because of the Organic Act in 1946, it removed those provisions and they did not get anything. They were not treated like the other allies from other countries. In the early 1990s they start to pour into Hawaii and other states because the federal government finally allowed them to come in and be citizens. At that time a lot of them were in their 60s, 70s, and 80s. A lot of them have been dying.

"You know, in 1994 when I first started campaigning, they were very active, not only in their cause here, but also in their cause with the federal government side. They try to lobby as best as they could to try to get what they call, parity. They want to be treated like other soldiers. They were after all, members of the United States Armed Forces, but they were not treated as such after the war was over. After they had died, after members of this army in the Philippines had died. Those who did not die and were fortunate enough to make it to see the United States, this land of promise that had been promised to them. They found that they did not have these benefits as other veterans have.

"Because of their wish to get this parity law passed on the federal side, (if they are) still around. Unfortunately they keep dying. In fact when one of their members died while they were lobbying in Washington, I actually told them perhaps you should all hold hands and if you die, you die for a good cause right here. At least you will attract attention. A lot of people don't know why they are here. A lot of people don't know that they are soldiers for the United States Armed Forces and they have died for the United States.

"This money that is granted is \$30,000, and it is to help at least to bury them or send their bodies to the Philippines for burial with their families. I think it is the very least we can do at this time. If we as a Body cannot at least affect federal legislation to give them parity, this \$30,000 that is being appropriated for them is huge. It is a lot of money. Most of them are, well I know already a lot of them are dying, but a lot of them are now unable to work either. They used to be able to work."

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

Representative Sonson continued, stating:

"I really appreciate it. When they first came in the early 1990s you could see them march very proudly in a lot of these events where you have veterans involved. Now they are not able to do that. A lot of them now they tend to ride in the little trolleys. Their numbers are also dwindling. Again I cannot say enough that this award of \$30,000 that this Body is giving is a lot of help to them, and we really thank you for this gesture. Thank you very much."

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

"Thank you, Madame Speaker. I rise in strong support of the measure. I'd like the comments of the gentleman from Waipahu as my own in the Journal," and the Chair "so ordered." (By reference only.)

Representative Mindo continued, stating:

"Right now, the World War Veterans in the State number around 3,000, and every year an average of 15 really, passing away. During the Conference I thought really that this measure will go 'six feet under the ground' but due to the diligence of the Chair of Public Safety and the Chair also in the Senate, this measure became alive with \$30,000 in funds. With that, I strongly support this measure. Thank you Madame Speaker."

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

"Thank you, Madame Speaker in strong support. Thank you, Madame Speaker. First of all I'd like the words of the Representative from Waipahu as if they were my own," and the Chair "so ordered." (By reference only.)

Representative Moses continued, stating:

"I'd like to add that, I guess, it is never too late to do the right thing. Unless of course, you've already passed on. I am grateful for at least we are doing something to honor those veterans. We just recently, in honoring our veterans of the latest war, and I just want to urge us to not forget the veterans of earlier wars also, like our Filipino vets. Thank you."

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

"Thank you, Madame Speaker. I stand in strong support ask that the words of the Representative from Waipahu be entered as my own," and the Chair "so ordered." (By reference only.)

Representative Herkes continued, stating:

"My oldest brother and I were born in the Philippines. My father spent most of his life there. The heroism of the Filipino scouts is legendary and this is the proper thing to do. Thank you."

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

"Thank you, Madame Speaker. On the same measure, I have written comments in support. If I may also ask that the comments of the Representative from Waipahu be entered as if they were my own," and the Chair "so ordered." (By reference only.)

Representative Abinsay continued, stating:

"And if I may add very briefly, I also echo the appreciation given by the Representative from Ewa to the Chair of the Public Safety Committee, and also of course the Chair of the Finance Committee for recognizing the importance of this measure.

"Briefly Madame Speaker, if I may add, I spoke on this measure in our previous hearings and I would just like to again, one more time mention, that this issue is really dear to my heart. As the Representative from Waipahu was saying, yes, these veterans came to Hawaii after 50 years and many of them are now about 80 to 86 years-old. That is the average at this point. I've been involved from the very beginning since 1992. As we recognize the importance of this measure, we also want to recognize how important it is for the veterans who are surviving right now. I would just like to mention once again, that the case we have right now, and this involves a veteran whose remains are still being kept at St. Francis morgue almost 3 months, 3 months after his passing, because his family has no money. So this measure will definitely help the son who is unemployed. He came to us for help. We cannot help him anymore because we have helped many a veteran who are waiting for reimbursement for this money.

"As the Representative from Waipahu also mentioned that when these veterans went to Washington D.C., I also mentioned this in my previous speech, that I did accompany them and right in front of my face, one of them just dropped dead. So I have seen first hand their pain and suffering. So each time I meet with them, I sense their anguish and fear that they may not live long enough. So I ask for my colleagues to support this measure."

Representative Abinsay's written remarks are as follows:

"Mr. Speaker, I rise to speak in strong support of Conference Committee Report No. 103, Senate Bill No. 1050 SD2 HD2 CD1 – Relating to Veterans' Rights and Benefits.

"The purpose of this bill is to require the Office of Veterans' Services to provide grants to pay for the cost of funeral, burial and other expenses for return of remains of Filipino-American veterans of World War II back to the Philippines where he wished to be buried.

"I want to thank you, Mr. Speaker and colleagues, especially the Finance Committee, for your support and appropriating \$30,000 for fiscal year 2003-2004 to carry out the purpose of this bill.

"Mr. Speaker and colleagues, this issue is very dear to my heart. For years, I have worked closely with Filipino-American veterans. I have traveled with them to Washington DC to lobby Congress for support. So I have seen first hand their pain and sufferings. Each time I meet with them I sense their anguish and fear that they may not live long enough to achieve what they have been fighting for all these years.

"As I have mentioned before, there are approximately 12,000 Filipino American veterans of World War II currently living in the U.S. This number includes veterans of the Commonwealth army and Philippine scouts. Today I believe there are about 1,100 living in Hawaii.

"These veterans are now ranging in age from 79 to 80, or even older. The number of deaths among them here in Hawaii is averaging 3 to 5 a month in the last few years. Last year, however, that number increased with 9 deaths occurring during the months of June and July 2002 alone.

"Mr. Speaker and colleagues, this bill means a lot to each veteran and his surviving family who may not have the resources to bury or transport his remains to the Philippines. One sad case we have right now involves a veteran whose remains is still being kept at St. Francis morgue almost 3 months after his passing because his family simply has no money. The Filipino community has organized fundraising activities to help raised monies so that Mr. Gerardo Peralta, who fought for freedom in the Philippines alongside his American army counterparts during World War II, could finally return home and rest in eternal peace. Like every veteran, Mr. Peralta deserves to be buried with honor and dignity, here or in the Philippines.

"As citizens of this country and as residents of Hawaii, veterans are entitled to receive burial assistance from the state. This bill is a small gesture of our gratitude for the service they gave to our country and freedom. Mr. Speaker and colleagues, thank you again for your support."

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

Representative Tamayo's written remarks are as follows:

"I would like to express my gratitude and appreciation in passing this urgent measure. Our Filipino-American veterans put their lives on the line for our country, and the freedoms we often take for granted today. By not recognizing them properly, we have turned our backs on them. This measure is the very, very least we can do to thank them for their services."

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

"Thank you, Madame Speaker. I am standing in strong support and I'd like the words from my colleagues from Waipahu, Kalihi, Ewa, Kapolei, and my Filipino brother from Ka'u inserted in the Journal as my own," and the Chair "so ordered." (By reference only.)

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

Representative Finnegan's written remarks are as follows:

"Madame Speaker, I rise in support of C.C.R. 103, S.B. 1050, S.D. 2, H.D. 2, C.D. 1. This bill brings a necessary addition to our statutes. While WWII Filipino-American veterans who are residents of Hawaii have had the right to a burial grant from the Office of Veteran Services since 1994, this grant was only paid upon the presentation of an itemized invoice of services provided. Put more simply, the deceased veteran or an interested party had to front the costs of transportation to the Philippines and burial there and then seek the grant as a form reimbursement. The necessity of fronting the often high costs of transportation and burial often made it difficult for poorer families to actually receive the burial grant. Indeed, sometimes the bodies of deceased veterans would have to be kept in storage for weeks while the necessary funds were collected.

"This bill brings necessary changes to this state of affairs by allowing the disbursement of a grant of up to \$2,500 directly to a mortuary or crematory for (1) funeral or mortuary services and (2) transportation of the remains to the Philippines upon presentation of a contract for services and an itemized unpaid invoice. This change in the law will make it so that no deceased Filipino-American veteran's family is too poor to be

able to receive the burial grant the veteran is entitled to. Over the years, I have been educated on the key role played by Filipino soldiers in reclaiming the Philippine Islands during World War II and the many sacrifices they made for our country as well as the Philippines. This bill is just a small token of our appreciation for them, and one they well deserve. I thank all of the respective committee and conference chairs for carrying this measure forward.

"Thank you, Madame Speaker."

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

"Madame Speaker, I'd like to note the Report on Health that is being produced by the President's Advisory Commission on Asian Americans and Pacific Islanders and there was a section on Filipino veterans."

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

"Madame Speaker, I rise in strong support of this measure. I'd like to incorporate by reference my previous remarks delivered at earlier readings of this particular bill. I'd also like to incorporate by reference or have the record reflect my strong agreement with the remarks of the Representatives from Waipahu, Ewa Beach, Makakilo, Ka'u, as well as the Chair of Agriculture. And I'd like to insert additional written remarks," and the Chair "so ordered." (By reference only.)

Representative Pendleton's written remarks are as follows:

"Mr. Speaker, I stand in strong support of Conference Committee Report 103, and its accompanying measure, Senate Bill 1050, Senate Draft 2, House Draft 2, which would help and assist our Filipino veterans.

"Mr. Speaker, I rose and spoke in support of this measure on previous occasions. I would like to incorporate my previous remarks. I would also like to add additional comments and observations.

"Mr. Speaker, as I said previously, this bill entitles the Filipino veterans of World War II to certain rights not previously granted by law. The fact that the government will provide monies to assist is not new. What is new, Mr. Speaker, is that this benefit of a burial grant from the Office of Veterans Services to pay for the cost of providing a funeral and burial service for the deceased veteran and/or transporting the veteran to the Philippines can be made directly to the vendor.

"In the past, families had to draw from their own savings or take a collection in order to advance these cost. Then they were in turn reimbursed for the expenses. But this law allows for direct payment from the government to the provider of these services.

"In terms of the big picture, this bill, if it should become law, would give Filipino families hope. Not all are fortunate enough to have money handy for such big expenses such as funeral services or transportation of a deceased loved one.

"Specifically, this bill would require the Office of Veterans services to provide grants of up to \$2,500 to reimburse survivors or interested parties of deceased World War II Filipino veterans. Note the language of "or interested parties." These three words make possible for the government to pay directly the funeral parlor or the carrier who will transport the deceased. This makes it unnecessary for Filipino families to have to raid their savings to make these payments. The government, which would pay for such things anyway, would

directly pay whomever is providing funeral and burial or transportation services.

"As a Filipino-American lawmaker I believe we need to do more to address the wrongs of the past. We cannot change history, but we can work in the present to make things right.

"I strongly support passage of the Filipino Veterans Equity legislation at the federal level, and I will do whatever I can to continue to work for its passage by Congress. I urge Congress to right the wrong of the Rescission Act. But until that legislation passes, let us do what we can at the state level to honor and support the Filipino veterans who during World War II sacrificed so very much. This measure is an important step in the right direction. It is part of the puzzle pieces that when taken as a whole effectuates justice. We have much work to go, but let us at least begin here and now with this bill."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1050, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO VETERANS RIGHTS AND BENEFITS," passed Final Reading by a vote of 48 ayes and, with Representatives Caldwell, Ontai and Takai being excused.

Conf. Com. Rep. No. 104 and S.B. No. 614, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 614, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH INSURANCE," passed Final Reading by a vote of 48 ayes and, with Representatives Caldwell, Ontai and Takai being excused.

Conf. Com. Rep. No. 105 and S.B. No. 855, SD 1, HD 3, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 855, SD 1, HD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ENERGY," passed Final Reading by a vote of 48 ayes and, with Representatives Caldwell, Ontai and Takai being excused.

Conf. Com. Rep. No. 106 and S.B. No. 1286, SD 1, HD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that S.B. No. 1286, SD 1, HD 2, CD 1 pass Final Reading, seconded by Representative Lee.

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

"I stand in strong support. Thank you, Madame Speaker. S.B. 1286, moves this agency, HCDCH, into the Department of Human Services. This agency was created to create more affordable housing and I am hoping that the Executive, the Governor, would appoint Mr. Hall as its Executive Director so that we can get forward with the people's business and create more affordable housing. 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. 1286, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII," passed Final Reading by a

vote of 48 ayes and, with Representatives Caldwell, Ontai and Takai being excused.

The Chair directed the Clerk to note that S.B. Nos. 1441, HD 1, CD 1; 1332, SD 2, HD 2, CD 1; 540, SD 1, HD 2, CD 1; 317, SD 2, HD 1, CD 1; 1050, SD 2, HD 2, CD 1; 614, SD 1, HD 1, CD 1, 855, SD 1, HD 3, CD 1; and 1286, SD 1, HD 2, CD 1; had passed Final Reading at 6:29 o'clock p.m.

At 6:29 o'clock p.m., the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 6:38 o'clock p.m.

Conf. Com. Rep. No. 111 and S.B. No. 1088, SD 2, HD 2, CD 1:

By unanimous consent, Conf. Com. Rep. No. 111 and S.B. 1088, SD 2, HD 2, CD 1, was deferred to the end of calendar.

Conf. Com. Rep. No. 107 and S.B. No. 1647, SD 2, HD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that S.B. No. 1647, SD 2, HD 2, CD 1 pass Final Reading, seconded by Representative Lee.

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

"Thank you. I stand in support and I just wanted to express my mahalo to the Chair and the Committees on Health and Ways and Means. This authorization from the general fund just funds a mere \$43,000 to provide access to visually impaired people for simple things like reading the newspaper, and it is so compassionate. I just hope that we could encourage the PUC to make this available to them always. 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. 1647, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SERVICES FOR INDIVIDUALS WHO ARE BLIND OR VISUALLY IMPAIRED," passed Final Reading by a vote of 47 ayes and, with Representatives Hiraki, Nakasone, Shimabukuro and Souki being excused.

Conf. Com. Rep. No. 108 and S.B. No. 585, SD 1, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that S.B. No. 585, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative Lee.

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

"Thank you, Madame Speaker. Real quick, in support but with some reservations. This bill will provide for transfer of funds from the Tobacco Settlement Fund, which is allocated for Children's Health Insurance Program to cover some of the shortfalls in children's health programs. My concern is that we did return \$18 million in federal CHIP funds last October. This is money which could have been used to decrease the number of uninsured children, which is now approximately 12,000 children. We are however, going to allow them to use this money to cover some of the shortfall, but in the future and as it

states in the Committee Report, we want them to expand their efforts to reach out to our communities to cover more children.

"Your Health Committee believes that the health of our children is paramount and it is very important that we make use of every resource that we have including federal funds, to assure the good health of our children. So with that, I stand in support of this measure."

Representative Kahikina rose in support of the measure and asked that the remarks of Representative Arakaki be entered in 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. 585, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE FUNDS," passed Final Reading by a vote of 47 ayes and, with Representatives Hiraki, Nakasone, Shimabukuro and Souki being excused.

Conf. Com. Rep. No. 109 and S.B. No. 745, SD 2, HD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that S.B. No. 745, SD 2, HD 2, CD 1 pass Final Reading, seconded by Representative Lee.

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

"I rise in strong support of this measure. This measure gives an emergency helicopter to the County of Maui. This is a combined effort of both county and State to get this. It was initiated first in my district, in West Maui, because we really only have one road that goes in and out of West Maui, and with natural disasters like floods and fires, as well as auto crashes, quite often that highway is closed so the residents of West Maui are stranded without this helicopter. We've had times in the past when we'd not been able to get people to emergency services because we do not have an acute care center on West Maui. So I really appreciate the work that the Committees have done on this and we look forward to getting our helicopter. Thank you very much."

Representative Kaho'ohalahala rose to speak in support of the measure, stating:

"Thank you, Madame Speaker. I am rising in strong support. I would just like to say that mahalo to all of you that have supported this bill, and especially to the Finance Committee for making available this helicopter, not only for West Maui, but for the 13th district, which includes the islands of Lanai, Molokai, Kalaupapa, Kaho'olawe, and Maui. I would just like to state that what this provides for is to integrate the ground, the rotor and the fixed wing transport of a 911 response system. This is to augment the aero-medical services that a fixed winged transport cannot provide for. So in cases in the rural areas and on the Neighbor Islands, especially where fixed winged aircraft's may not be able to land or provide the kind of responses needed, here is an opportunity where we can be responsive."

"In the bill there is an appropriation for \$600,000 that is a match for Maui County. And I would just like to add that as we speak, the Maui County Council are in budget deliberations and in light of what came out of Conference Committee, it has already made an appropriation for this amount to match that of this bill. So I'd like to ask this Body to continue to support it through so it can become a reality for our County. 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. 745, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EMERGENCY MEDICAL SERVICES," passed Final Reading by a vote of 47 ayes and, with Representatives Hiraki, Nakasone, Shimabukuro and Souki being excused.

Conf. Com. Rep. No. 110 and S.B. No. 748, SD 2, HD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that S.B. No. 748, SD 2, HD 2, CD 1 pass Final Reading, seconded by Representative Lee.

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

Representative Lee's written remarks are as follows:

"Mr. Speaker, this bill will help to ensure an adequate supply of registered nurses to provide quality health care services. Nurses have been in short supply in Hawaii as the existing workforce ages and fewer young people choose nursing as a career."

"To meet the demand for nurses as existing workers retire, Hawaii's schools of nursing will need to graduate 400 registered nurses every year for the next 15 years! Still, this need does not account for the expanding health care industry, the longer lives enjoyed by many people, and the resulting increase in demand for nursing professionals. Presently, since only about 280 new graduates remain in Hawaii, there is a deficit of approximately 120 registered nurses each year."

"This bill will provide an incentive for young people to study nursing and to serve as registered nurses in Hawaii upon graduation. The bill provides for a competitive, need-based loan program to provide for tuition and textbooks. The loans will have an interest rate of 5%, a one-year grace period, and a six-year repayment period."

"Upon graduation and full-time nursing employment in the State, 10% of the total amount of the loan and interest shall be waived for each of the first five years employed. After the sixth year, the remaining balance of the loan shall be waived. If the loan recipient does not take nursing employment in the state, the loan will become subject to a 10% simple interest rate."

"After an initial appropriation of seed money into a new special fund, the loan program will be at least partially self-supporting insofar as loan recipients do not meet their obligation to complete six years employment as a registered nurse and are compelled to repay the loans with interest."

"The bill also anticipates the increased burden on the UH School of Nursing, and appropriates funds to hire more nursing faculty for this effort."

"Mr. Speaker, this is an excellent way to intervene in the nursing shortage before it becomes any worse. I urge my colleagues to vote "aye" on 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. 748, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO NURSING EDUCATION," passed Final Reading by a vote of 47 ayes and, with Representatives Hiraki, Nakasone, Shimabukuro and Souki being excused.

Conf. Com. Rep. No. 112 and S.B. No. 1279, SD 2, HD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1279, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TOBACCO," passed Final Reading by a vote of 47 ayes and, with Representatives Hiraki, Nakasone, Shimabukuro and Souki being excused.

Conf. Com. Rep. No. 113 and S.B. No. 1321, HD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1321, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MENTAL HEALTH," passed Final Reading by a vote of 47 ayes and, with Representatives Hiraki, Nakasone, Shimabukuro and Souki being excused.

Conf. Com. Rep. No. 114 and S.B. No. 1446, SD 2, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1446, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TECHNOLOGY," passed Final Reading by a vote of 46 ayes to 1 no, with Representative Halford voting no, and with Representatives Hiraki, Nakasone, Shimabukuro and Souki being excused.

The Chair directed the Clerk to note that S.B. Nos. 1647, SD 2, HD 2, CD 1; 585, SD 1, HD 1, CD 1; 745, SD 2, HD 2, CD 1; 748, SD 2, HD 2, CD 1; 1279, SD 2, HD 2, CD 1; 1321, HD 2, CD 1; and 1446, SD 2, HD 1, CD 1; had passed Final Reading at 6:45 o'clock p.m.

Conf. Com. Rep. No. 118 and S.B. No. 377, SD 1, HD 2, CD 1:

By unanimous consent, Conf. Com. Rep. No. 118 and S.B. 377, SD 1, HD 2, CD 1, was deferred one legislative day.

Representative Halford rose and stated:

"Madame Speaker, if I could. There is an error. I did not cast a no vote on CCR 114. Could I ask for a recess please?"

At 6:46 o'clock p.m., Representative Halford requested a recess and the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 7:00 o'clock p.m.

At this time, the Chair announced:

"Before we make the motion on page 15, Representative Halford."

Representative Halford rose and stated:

"Thank you, Madame Speaker. Regarding our discussion during the recess. Unfortunately Madame Speaker, I've been recorded for a vote that I had not cast. I was recorded for a no vote on Conference Committee Report No. 114, S.B. 1446. I

did not cast a no vote, however apparently I have been recorded as having cast a no vote. I disagree with whatever, I can't call it logic. I must disagree with whatever thought process would allow that vote to stand in the record. I want to be clear in the record that I did not cast a no vote, and we will just take it from there."

The Chair then stated:

"The Journal will reflect that, Representative Halford. Thank you."

Conf. Com. Rep. No. 115 and S.B. No. 1034, SD 1, HD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that S.B. No. 1034, SD 1, HD 2, CD 1 pass Final Reading, seconded by Representative Lee.

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

"Madame Speaker, with your indulgence if we could go back to 115, I just have written comments in support," and the Chair "so ordered."

Representative Abinsay continued, stating:

"If I may just acknowledge the support given to the Committee by my Co-Chairs, the Representative from Molokai and Lanai, and also Chairman of the Water, Land Use and Hawaiian Affairs Committee. Thank you."

Representative Abinsay's written remarks are as follows:

"Mr. Speaker, I rise in support of Conference Committee Report No. 115, Senate Bill No. 1034, SD1, HD2, CD1.

"Mr. Speaker and colleagues, this bill really is a bare-bones vehicle to accomplish what has been discussed before this Legislature for many years, and that is that the management of State agricultural land leases should be by the Department of Agriculture instead of by the Department of Land and Natural Resources.

"Much of the detail is left to the administrative rulemaking by the Department of Agriculture, however the actual transfer of leases or unencumbered "non-agricultural park lands" must be mutually agreed upon by both the Boards of Land and Natural Resources and Agriculture. The mandate to the DOA is very clear, "...to ensure the long-term productive use of public lands leased or available to be leased...for agricultural purposes..."

"One area of concern is the provision that restricts the Department of Agriculture from reducing the length of term or rent during the remaining fixed term of existing transferred leases. There were concerns that such reduction in lease rents could impact potential general revenues. This language was inserted during conference meeting deliberations.

"This bill has nothing to do with the classification of agricultural land, the identification of important agricultural lands (LESA), the zoning of agricultural land, or the uses permitted on agricultural lands.

"The only reference to Chapter 205 of Hawaii Revised Statutes in this bill is to reiterate the prohibition of golf courses on "A" and "B" rated lands and also, that no transferred leases or unencumbered lands will be used for golf courses, golf driving ranges, or country clubs.

"Mr. Speaker and colleagues, at the heart of this bill is to give the Department of Agriculture appropriate flexibility in administering agricultural leases so that productive farmers can remain on public agricultural lands. And it makes good sense because DOA is in a better position to assist a farmer's viability and furthermore, it helps fulfill the Department's purpose to encourage and promote Hawaii's agriculture industry. Thank you."

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

"Madame Speaker, I was not on the floor when the bill at the top of the page, Conference Committee Report No. 115 was brought up. Thank you. I am in strong support of this measure and have some brief comments. This bill is very important in solving the problem of keeping farmers on agriculture lands. This bill would transfer responsibility of the administration of certain agricultural lands from the Department of Land and Natural Resources to the Department of Agriculture. Through administrative rules, the Department of Agriculture will have more flexibility in administering leases and thereby solving the problem that we've been attempting to address for several 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. 1034, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURAL LANDS," passed Final Reading by a vote of 49 ayes and, with Representatives Karamatsu and Nakasone being excused.

Conf. Com. Rep. No. 116 and S.B. No. 574, SD 1, HD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 574, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CAPTIVE INSURANCE," passed Final Reading by a vote of 49 ayes and, with Representatives Karamatsu and Nakasone being excused.

Conf. Com. Rep. No. 117 and S.B. No. 1661, SD 2, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that S.B. No. 1661, SD 2, HD 1, CD 1 pass Final Reading, seconded by Representative Lee.

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

"In strong support. Yes, Madame Speaker. This measure puts a fire under the HCDCH to hurry up and complete the Villages of Kapolei. This is another good example of why I'm overly anxious to get Mr. Hall appointed as the Executive Director. He has knowledge of all of these projects and has never had the chance to implement his creative ideas. I am looking forward to working with him as the House Chair of Housing. Thank you very much."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1661, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII," passed Final Reading by a vote of 49 ayes and, with Representatives Karamatsu and Nakasone being excused.

Conf. Com. Rep. No. 119 and S.B. No. 1305, SD 1, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that S.B. No. 1305, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative Lee.

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

"Thank you, Madame Speaker. I stand in support of Conference Report 119, S.B. 1305, as amended. Madame Speaker, this is really the other half of the drug bill. It is included in here. We've got a \$100,000 for substance abuse services for youth and adolescents. We've got \$300,000 for Hawaii County adolescent drug treatment centers, and \$100,000 for crystal meth prevention in Hawaii County. And the ratio of 5 to 1, a half a million dollars to educate, rehabilitate and prevention to \$100,000 for enforcement. That really is the proper ratio. We need to put money in the front end to educate and prevent. We need to put money in the far end to treat. And in between, we will work on enforcement. Thank you."

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

"Thank you, Madame Speaker. I'd like to speak in strong support of S.B. 1305, as amended. This is the money that takes from the interest of the 'Rainy Day Fund.' I would argue that it's not only raining, it's pouring when it comes to the needs of the people of Hawaii, especially those who are the most vulnerable. I want to thank my Co-Chairs who weren't really Conferees on this measure, but we got together as the Chairs of the Health and Human Services Committees, both the House and Senate, to come to an agreement on how a limited amount of monies were to be allocated. Of course there are so many demands that we were forced to cut back on many of these programs, but we tried to cover as many areas as possible realizing that for some of these agencies and programs, without any kind of funding, they would probably just go away and leave people without anything to hope for.

"We especially tried to look at the areas like health, providing safety net services, and hopefully providing hope to many people. Again, there are many more needs that we need to take care of, but I really want to thank the money Committees, especially the Chair and Vice Chair of Finance and the Chair and Vice Chair of Ways and Means for recognizing that we needed to try and take care of these needs, especially with all of the reductions that were being made. I want to say mahalo for their compassion and their heart. And I want to ask all the Members to support this measure. Thank you, Madame Speaker."

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

"Thank you, Madame Speaker. I want rise in strong support. I want to also add my accolades and mahalo to all the Chairs and Vice Chairs and all the Committee members on the Ways and Means and Finance for this compassionate bill. And for all of those who supported, especially the Chair of Health who worked very hard long with the Chairs of Human Services and Health on the Senate side. Madame Speaker, this speaks to the safety net. It doesn't take into account to all of it, but at least it re-appropriates most of it and we are so grateful. Thank you."

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

"Thank you, Madame Speaker. I stand in strong support of this measure. First of all, I'd like to thank Conferees Chun Oakland and Baker, and also Kahikina and Arakaki. And I also thank the Chair of Finance, Takamine and Vice Chair, and also Taniguchi and Kokubun. The reason I'm standing in support is because being in charge of GIA this year, and there were a lot of ..."

Representative Fox rose to a point of order, stating:

"Point of order. Mention of names."

The Chair responded, stating:

"I'll allow it. Please proceed."

Representative Magaoay continued, stating:

"This year being charged of GIA, there were a lot of request regarding safety net and health issues, and there were a lot of things we wanted to have funded but we couldn't due to our economic situation. I'm glad that on the list we have here, we're funding the 24-hour Poison Center for \$200,000 because the other bill didn't pass. If this item wasn't funded, the Center would closed. I really want to thank all of the people that were involved in this. It was a very tough decision for me to look at all the good GIA requests, and I ask the colleagues and I thank all the Members, and I ask for your support."

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

"Thank you, Madame Speaker. I'm standing in strong support of this bill. There were, as the Representative from Kahuku has said, so many grant-in-aid requests all deserving, very necessary. I have received many, many emails from people down in Laie, Hauula, with concerns for the Kahuku Hospital which has plays such a key role for my constituents there. Most of them have had their babies there, have had their *kupuna* there in long-term care. It's just a very necessary hospital."

"It's an emergency hospital and they were a grant-in-aid, and I've been pulling for them all the way. I was just so grateful that we were able to fund that, as well as the Kaneohe Community Family Center which is there also. The Kuhio Park Terrace Family Center is also there, and they do wonderful things in their communities. So I think, or most of all of us in this Chamber are very grateful that we were able to use the money in the 'Rainy Day Fund' because as the Chairman of Health said, it truly is raining. Thank you."

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

Representative Finnegan's written remarks are as follows:

"Madame Speaker, I rise in support of C.C.R. 119, S.B. 1305, S.D. 1, H.D. 1, C.D. 1. I had the pleasure of sitting on both the Health and the Human Services and Housing Committees this session. One fact that was made clear time and time again in repeated testimony was the importance of 'safety net' providers of the health and human services programs funded in this measure. These programs are especially important in difficult economic times like we are in now, as tight home budgets and job losses cause more people to have need of these programs. Unfortunately, because of the need to balance the budget, we have had to reduce the some of the funding we provide to these programs from the General Fund. Tapping into the Emergency and Budget Reserve Fund to help support these programs is the right thing to do."

Providing emergency funding to 'safety net' programs is one of the purposes of the Emergency and Budget Reserve Fund, so we are using this money appropriately.

"I am happy to see that we will be providing money to keep the Poison Control Center open, as it is the only poison control center in our state and a necessary resource for our residents. I'm also glad to see that we are providing funding for emergency medical care in our community hospitals; our community hospitals are a crucial point of access to medical care for much of our state's rural population."

"I thank the chairs of the Health, Human Services, and Finance Committees for the time they put into this measure and their support for it."

"Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1305, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE FUNDS," passed Final Reading by a vote of 49 ayes and, with Representatives Karamatsu and Nakasone being excused.

Conf. Com. Rep. No. 120 and S.B. No. 576, HD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 576, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII," passed Final Reading by a vote of 49 ayes and, with Representatives Karamatsu and Nakasone being excused.

Conf. Com. Rep. No. 121 and S.B. No. 58, SD 1, HD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 58, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SCHOOL REPAIR AND MAINTENANCE," passed Final Reading by a vote of 49 ayes and, with Representatives Karamatsu and Nakasone being excused.

Conf. Com. Rep. No. 122 and S.B. No. 402, SD 2, HD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that S.B. No. 402, SD 2, HD 2, CD 1 pass Final Reading, seconded by Representative Lee.

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

"Thank you, Madame Speaker. I'm rising in support of Conference Report No. 122, S.B. No. 402, CD 1, with some reservations. This bill establishes the Hawaii Medical Educational Council with the University of Hawaii. Certainly the intent of this measure is good. It aims at coordinating and governing graduate medical education in our State by bringing together representatives of all the institutions involved in medical education."

"I guess my concern is with the funding aspect of this measure. First of all it creates another special fund and we have a plethora of special funds and that is a concern. But it speaks of receiving moneys from various federal programs, from grants and private contributions, and last but certainly not

least, State appropriations. So many special funds, when we first started them up are funded with a State appropriation out of the general fund. It authorizes the appropriation of \$1.6 million for the biennium to be expended by the University of Hawaii for the purposes outlined in the bill. It just seems that the taxpayers of Hawaii will have to bear the major burden of funding for several years. That's a concern of mine at this time, and as we said on the bill just prior to this, with the 'Rainy Day Fund', there are so many needs. This is something new and requiring a considerable amount of money in this biennium. So those are my reservations. Thank you, Madame Speaker."

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

"Thank you. I rise in support of this measure. I just wanted to clarify some of the statements made by the Minority Floor Leader in regards to this bill. Sure it's a special fund, and we're funding it at \$800,000 a year. But let me guarantee her that this money is not coming from the general fund, nor is it coming from the University of Hawaii. As a matter of fact, the Dean of the UH Medical School, when he became Dean, started looking for federal support, opportunities, that the University of Hawaii Medical School could take advantage of by drawing down federal money and this is one area that he believes the University and the State of Hawaii have not taken advantage of. Without this bill, we will not be able to draw down those federal monies. It's important to note that these monies, for this purpose, will be non-general fund monies. 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. 402, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MEDICAL EDUCATION," passed Final Reading by a vote of 48 ayes to 1 no, with Representative Halford voting no, and with Representatives Karamatsu and Nakasone being excused.

The Chair directed the Clerk to note that S.B. Nos. 1034, SD 1, HD 2, CD 1; 574, SD 1, HD 2, CD 1; 1661, SD 2, HD 1, CD 1; 1305, SD 1, HD 1, CD 1; 576, HD 2, CD 1; 58, SD 1, HD 2, CD 1; and 402, SD 2, HD 2, CD 1; had passed Final Reading at 7:15 o'clock p.m.

Conf. Com. Rep. No. 125 and S.B. No. 17, SD 1, HD 1, CD 1:

By unanimous consent, Conf. Com. Rep. No. 125 and S.B. 17, SD 1, HD 1, CD 1, was deferred to end of calendar.

Conf. Com. Rep. No. 123 and S.B. No. 1237, SD 1, HD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1237, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Final Reading by a vote of 48 ayes and, with Representatives Kahikina, Karamatsu and Nakasone being excused.

Conf. Com. Rep. No. 124 and S.B. No. 1700, SD 1, HD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that S.B. No. 1700, SD 1, HD 2, CD 1 pass Final Reading, seconded by Representative Lee.

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

"Thank you, Madame Speaker. I rise in support of Conference Committee Report No. 124. I do have just a couple of reservations. It does appear that the Department of Education is still trying to get in there and micromanage these charter schools. But for the most part, it's good to see that the charter schools will be getting equitable funding in relationship to the amount that the public school student gets allocated. And the charter school will be getting close to that same amount. So it's for this reason that I do support this. Thank you, Madame Speaker."

The Chair recognized Representative Takumi, stating:

"Representative Takai. Oh, sorry. Representative Takumi."

Representative Takumi: "Oh boy. There's about 40 pounds difference there, Madame Speaker."

Representative Takai: "Can we strike that from the record, please?"

Representative Takumi continued in support of the measure, stating:

"But it's getting lower as we speak."

"Anyway, Madame Speaker. I rise in support of this measure. This measure does a couple things. I think is a product of cooperation and collaboration between the Department of Education and the charter school community. I think it's important to point out to the Members, when we talk about charter schools and we know there are 25 of them currently, there are 25 distinct personalities out there. I'm not about to say it's like 'herding cats', but they do not have an organization *per se* at this point. You have the Hawaiian charter schools. You have the conversion charter schools. You have schools like the Voyager Charter School, and so on. But with that said, they got together and again, working with my counterpart in the Senate, we came up with this measure. I think it goes a long way in doing some of the things that the charter schools have been saying all along. That they wanted a predictable and reliable funding stream. We have that in this bill. They wanted an administrative unit. It was originally called an agency. But they will be able to hire an executive director to be an advocate for them to the Board of Education, and the charter schools will submit names to the Board of Education for that position.

"I should also mention that this measure provides for a per pupil allocation of \$5,355 for each regular and special education student in the charter schools. This per pupil allocation includes fringe benefits. So since the Department of Education already pays for fringe benefits from another account, it is anticipated that the reimbursement will be sought by the Department of Education. Otherwise it's a 'double dip'. But save for that little glitch there, I think we've gone a long way in ensuring that the charter schools have some fiscal stability, and I hope for their success in the coming years. Thank you, Madame Speaker."

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

"Thank you, Madame Speaker. A ruling on a potential conflict. My daughter attends Voyager Charter School," and the Chair ruled "no conflict."

Representative Finnegan continued, stating:

"I just wanted to say thank you to the Chair of the Education Committee."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1700, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHARTER SCHOOLS," passed Final Reading by a vote of 48 ayes and, with Representatives Kahikina, Karamatsu and Nakasone being excused.

Conf. Com. Rep. No. 126 and S.B. No. 209, SD 3, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that S.B. No. 209, SD 3, HD 1, CD 1 pass Final Reading, seconded by Representative Lee.

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

"Thank you, Madame Speaker. I'm rising in support. It might sound funny but I have problems with multi-track. Not with this bill because it is necessary, but I just want to provide some comments for any of our freshmen who may some day be Education Chairs or Finance Chairs or maybe even Governors. It's not worth building schools that are too small for the community. These schools, some of them in my district, two of them are in my district, one is right next door, Holomua is the other one. Mine is Kapolei Middle and Kapolei Elementary. They were built too small. They were known to be too small when they were built and as a result, we save money on building the schools, and now we're forever going to pay for staff to be there year round.

"The parents don't like multi-track schools. The students don't like multi-track schools. The teachers don't like multi-track schools. I haven't met a principal yet that likes them. So nobody likes them because there's tremendous problems when you try to go to extra-curricular activities like sports. You have one child on one track, and another child on another track. Especially since we have children in many schools and by the time they get to a middle school, you could have some in an elementary school that's not multi-track and some that are. It's really a nightmare, so I'm just urging all of us to look carefully at this and let's not build any future multi-tracks.

"One final comment on this. Kapolei High School is building the twelfth grade classroom as we speak. The twelfth grade classes, and they're destined to go multi-track too. The people out there would rather have portables then go to multi-track. It might be okay to get by in an elementary or a middle school, but by the time you get to high school it's really unworkable. So we're going to have problems here starting maybe next year. We'll start talking about portables for Kapolei High School. Thank you."

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

"Thank you, Madame Speaker. In opposition, and I ask that the words of the previous speaker be entered in the Journal as mine," and the Chair "so ordered." (By reference only.)

Representative Fox continued, stating:

"I frankly think that it will be great if we would adopt the sense in this Body that the word multi-track is a dirty word. It is really bad news to take families through the problems that are created by multi-track schools in the way of the worst of top down decision making. It is fitting the people to buildings rather than the building to the people. It is absolutely the

wrong way to go, and I am deeply concerned that if we start allowing people to be salaried for 12 months to deal in a multi-track situation, we will build in an incentive to move toward multi-track since anybody would prefer to be paid for 12 months over 10 months. That is an automatic. So I think we should really heed the words of those who got their noses up against the problems of multi-track schools and stop it right here. Vote this measure down and stop multi-track in its track. Thank you, Madame Speaker."

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

"Thank you, Madame Speaker. I rise in strong support. If we want to look at multi-track schools in the future, we can, but I think right now, tonight, we have these existing schools that are multi-track. And if we don't pass this bill, they are going to have some serious problems with the daily operations of their school. So we have these existing multi-track schools. We need to support them so that they can serve our kids. 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. 209, SD 3, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYMENT," passed Final Reading by a vote of 40 ayes to 8 noes, with Representatives Finnegan, Fox, Jernigan, Meyer, Ontai, Pendleton, Stonebraker and Thielen voting no and, with Representatives Kahikina, Karamatsu and Nakasone being excused.

Conf. Com. Rep. No. 127 and S.B. No. 789, SD 1, HD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 789, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYEE HEALTH BENEFITS," passed Final Reading by a vote of 48 ayes and, with Representatives Kahikina, Karamatsu and Nakasone being excused.

Conf. Com. Rep. No. 128 and S.B. No. 1393, SD 2, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1393, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE EXECUTIVE DEPARTMENTS OF STATE GOVERNMENT," passed Final Reading by a vote of 48 ayes and, with Representatives Kahikina, Karamatsu and Nakasone being excused.

Conf. Com. Rep. No. 129 and S.B. No. 1438, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1438, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," passed Final Reading by a vote of 48 ayes and, with Representatives Kahikina, Karamatsu and Nakasone being excused.

Conf. Com. Rep. No. 130 and S.B. No. 1439, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1439, HD 1, CD 1, entitled: "A

BILL FOR AN ACT MAKING APPROPRIATIONS FOR SALARY INCREASES FOR PUBLIC EMPLOYEES," passed Final Reading by a vote of 48 ayes and, with Representatives Kahikina, Karamatsu and Nakasone being excused.

The Chair directed the Clerk to note that S.B. Nos. 1237, SD 1, HD 2, CD 1; 1700, SD 1, HD 2, CD 1; 209, SD 3, HD 1, CD 1; 789, SD 1, HD 2, CD 1; 1393, SD 2, HD 1, CD 1; 1438, HD 1, CD 1; and 1439, HD 1, CD 1; had passed Final Reading at 7:25 o'clock p.m.

At 7:25 o'clock p.m., the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 7:26 o'clock p.m., with the Speaker presiding.

Conf. Com. Rep. No. 134 and H.B. No. 1412, HD 2, SD 2, CD 1:

Representative Saiki moved that the report of the Committee and H.B. No. 1412, HD 2, SD 2, CD 1 be recommitted to the Committee on Conference seconded by Representative Lee.

The motion was put to vote by the Chair and carried, and the report of the Committee and H.B. No. 1412, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PROFESSIONAL COUNSELORS," was recommitted to the Committee on Conference with Representatives Abinsay, Karamatsu, Luke and Nakasone were excused.

At 7:27 o'clock p.m., Representative Saiki requested a recess and the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 7:28 o'clock p.m.

Conf. Com. Rep. No. 131 and S.B. No. 1442, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1442, 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 and, with Representative Bukoski being excused.

Conf. Com. Rep. No. 132 and H.B. No. 1456, HD 1, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that H.B. No. 1456, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative Lee.

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

"Mr. Speaker, I have some reservations on this bottle bill. As you may recall I am very much opposed to the bottle bill at all. My reservations are, you know we are trying tinker with this around the edges and make it a little better but the bottle bill itself is still a tax. It is a tax on anybody who buys any kind of container. This is trying to make it a little better to return those containers and get your money back. But the fees still get charged. In fact this actually accelerates this tax and we have to pay it sooner, and then we have to wait awhile or a couple of years to we start getting our money back. You never get all your money back, so it is just a tax. Thank you, Mr. Speaker."

At 7:29 o'clock p.m., Representative Ontai requested a recess and the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 7:30 o'clock p.m.

At this time, the Chair announced:

"Members, at this time we are on Conference Committee Report No. 132, but before we move on to 135, the Members of the House should realize that for Conference Committee Report No. 133, it will be acted on Thursday because of the floor amendment.

"For Conference Committee Report 134, there was a motion to recommit and the Chair did ask for those all in favor say aye. Those opposed say no. And the motion was carried to recommit the measure. So at this point, the Chair would like to recognize Representative Moses for Conference Committee Report 132, if you're are finished with your comments with reservations."

Representative Moses responded, stating:

"I'm through, 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. 1456, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE DEPOSIT BEVERAGE CONTAINER PROGRAM," passed Final Reading by a vote of 50 ayes and, with Representative Bukoski being excused.

Conf. Com. Rep. No. 135 and H.B. No. 281, HD 1, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that H.B. No. 281, HD 1, SD 2, CD 1 pass Final Reading, seconded by Representative Lee.

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

"I rise in support of this measure. I have some very brief comments in support of this bill. As I stated earlier, when we began this Legislative Session, we said that we would focus on a few issues and do them well, and this is yet another one of those bills that we made a priority for this Legislative Session.

"This bill will allow the Department of Education to expedite the repair and maintenance of our school facilities. It will allow for school improvement now. What's very important about this bill is that it implements a recommendation that was made by the Legislative Auditor in 1992, to do away with the memorandum of agreement that has been entered into by the Department of Education and the Department of Accounting and General Services. And to allow the DOE to prioritize and to control the repair of our school's facilities. It's been 11 years since this audit was released, but we are finally able to implement it.

"I just want to note that, as of June 30, 2003, there are \$675 million worth of repair maintenance projects at the Department of Accounting and General Services. This is an outstanding amount. It has not yet been spent. \$387 million of this is designated for individual projects. \$280 million of this is designated for full school and classroom renovations. So finally, we will hopefully have a program that will allow the Department of Education to prioritize and expedite school

improvements which are badly needed now. Thank you very much."

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

"I am rising in support of the measure, but I would like to express some concerns. As you know, the Department of Education took over from the Department of Accounting and General Services, the job of replacing the playground equipment in the elementary schools. Much of that playground had to be taken down or else roped-off and the school children were not able to use it. By the time the Department of Education finally finishes the replacement of the elementary school playground equipment, some children will have gone their whole period of time, from kindergarten through sixth grade without ever having a meaningful playground experience because the DOE is taking so long to do that job.

"There has been a lot of excuses from the DOE as to why it took so long, but I guess I would draw Members' attention to a McDonald's. If they want to put a playground out there where the children play while the parents go in and get their fast food, I mean that playground is up and it is ADA compliant. We just have a very bad situation. It's hit Members in this Body. I imagine each of you had schools where you go and see the children playing with hula hoops or maybe a kick ball instead of having swing sets and slides and jungle gyms. So I am somewhat skeptical but I am not voting against the bill. Thank you.

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

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

"Thank you very much, Mr. Speaker. I rise in support of this measure. In response to the Representative from Kailua, actually this bill would, if not eliminate, it will really minimize some of the challenges that they face. When we talk about playground equipment, part of the challenge is every school didn't want to be treated like a McDonald's. When you have a McDonald's and you put up a playground, that is dictated by the company, what kind of playground will you have. And you only have certain choices. The challenge with the playground equipment was every school wanted to have an individualized playground set that fit the unique needs of their school. That is part of the problem.

"The other part of the problem was that there really was not clear collaboration and cooperation, and clear lines of authority between DAGS and the DOE. This bill makes it crystal clear that the DOE will have priority over these projects. That they will be the last one to sign off on this. Historically, depending who and what personalities and what personnel were both in DAGS and DOE, there were some problems, and we've heard some of that anecdotally. This once and for all clarifies that if you look at the bill, it requires a number of reports that will be transparent. That will be shared between the two agencies. And again in the end, the DOE will make that determination based upon the educational needs of the schools and not necessarily just purely on the technical merits of any given project. And that really should be under the purview of the DOE. 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. 281, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE EDUCATIONAL FACILITIES REPAIR AND

MAINTENANCE," passed Final Reading by a vote of 50 ayes and, with Representative Bukoski being excused.

Conf. Com. Rep. No. 136 and H.B. No. 638, HD 1, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that H.B. No. 638, HD 1, SD 2, CD 1 pass Final Reading, seconded by Representative Lee.

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

"Thank you, Mr. Speaker. In opposition. None of us are opposed to funding for the library system. That is certainly a worthy cause. The concern is putting check off boxes on our tax forms. This is something that could quite quickly and easily get out of hand. There are many, many worthy causes that we deal with at the Legislature. Wouldn't every single one of those causes like to have a check off box on the income tax form? I believe this is opening up a box of sorts, a Pandora's box, if we decide to move ahead with this bill. Thank you, Mr. Speaker.

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 638, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII STATE PUBLIC LIBRARY SYSTEM," passed Final Reading by a vote of 47 ayes to 3 noes, with Representatives Fox, Ontai and Stonebraker voting no and, with Representative Bukoski being excused.

Conf. Com. Rep. No. 137 and H.B. No. 289, HD 2, SD 2, CD 1;

and

Conf. Com. Rep. No. 138 and H.B. No. 1175, HD 2, SD 1, CD 1:

Representative Saiki moved that the reports of the Committees be adopted and that H.B. No. 289, HD 2, SD 2, CD 1, and H.B. No. 1175, HD 2, SD 1, CD 1, pass Final Reading, seconded by Representative Lee.

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

"Thank you, Mr. Speaker. In opposition. Mr. Speaker, this DOE complex areas, it defines, or it doesn't really define. It carves up the DOE a little bit differently, and we are intending to put into statute. My opposition Mr. Speaker, is primarily on the fact that, one, it's us here we are downtown Honolulu, in the Legislature kind of deciding this from here. Perhaps that its required by our law because we haven't gotten to school reform yet. But it seems inappropriate that we are doing that downtown.

"The other part Mr. Speaker has to do with our leaders. When you set up, or at least go out to hire an executive, I think one of the rules is that first guy that mentions a salary number loses. Because then all the negotiations are kind of lost there. The problem, if I may Mr. Speaker, if you take it in conjunction with the next bill, if we pass both bills tonight. It gives this impression that what we are doing essentially is we are basically promoting our current superintendent and our district superintendents, changing the name. A very oft used tactic in the Army by the way, to make it look like you're actually moving, but you just changing the name. The problem is that it appears we are reducing the responsibility, at least the scope of

their work, by reducing the number of children they are responsible for. The number of schools, and the geographical area, and we are going to elevate them to a certain level called the Complex Area Superintendents. Then we are going to give the opportunity to Board of Education to raise their pay to 80% of the Superintendent's pay, which is a \$120,000. Mr. Speaker, this is poor policy, to without any concessions or any indication that we are going to get anything back from the superintendents, but we are essentially giving this huge promotion to these probably wonderful people, I'm sure. But from the management standpoint, if we're going to manage the school system Mr. Speaker, this seems like we are giving away the store without expecting much in return."

Representative Takumi rose to a point of order, stating:

"Point of order. Which bill is this speaker referring to?"

Representative Ontai responded, stating:

"DOE Complex Areas, Mr. Speaker. Mr. Speaker, H.B. 289, where we carve up the areas into complex areas, 15 complex areas. I know that the Committee Report seems to be misprinted, saying something like there is 7..."

The Chair then stated:

"Representative Ontai, hold on. Representative Takumi."

Representative Takumi responded, stating:

"Mr. Speaker, there is nothing in H.B. 289 that mentions 80%. I don't see it in this bill. It's in the next bill, actually. Thank you."

The Chair responded, stating:

"Representative Takumi, and Members of the House, I think Representative Ontai is making reference to the two bills which are both similar in nature. So please proceed."

Representative Ontai continued, stating:

"Thank you, Mr. Speaker. I had indeed referred to with the Body's permission, to refer to that bill because in conjunction they represent this promotion of sorts. So for those reasons Mr. Speaker, I am opposed to this bill."

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

"Mr. Speaker, I rise in support of this measure. What this measure does is basically, it creates the 15 complex areas. You know, historically there were 7, and it changes the language along with the subsequent bill, which we can get into when we get to that. Because in the DOE's organizational charts, they use complex areas, and complex areas superintendents, and complexes. And also in their collective bargaining agreement, they also use the same language. We felt it would be best if we used those same terms to be less confusing when we're talking, whether it's a law, the collective bargaining agreement, or the organizational chart of the DOE."

"But more importantly this bill, HB 289 says that the complex areas shall ensure that the curriculum within each school complex. As we all know, there are 42 school complexes, the elementary school, the middle schools, and the high school, the feeder system right there, that they are aligned. Again when people say 'one size fits all' and 'cookie cutter' system, the way we do curriculum in our State is far from any type of cookie cutter. In fact, at any given school you could have 3 science teachers, and the 3 science teachers may be

using the same text, maybe using different text, may not be using the text at all. We don't have that kind of alignment, so again it baffles and puzzles me when people say there is this top down, monolithic approach. Because surely in the area of curriculum, I can assure you that it is anything but. Thank you."

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

"Yes, Mr. Speaker. On the same measure, I would like to submit some comments in the Journal. I have had experience with the DOE complexes, and they work very well. That was about 10 years ago. Thank you."

Representative Kawakami's written remarks are as follows:

"Mr. Speaker, I rise to speak in support of HB 289, HD 2, SD 2, CD 1, Relating to Education, more specifically the decentralization of the Department of Education (DOE)."

"Since 2001, the Department has been restructured and is currently operating as a complex-based system. The seven districts have been divided into fifteen complex areas, each administered by a complex area superintendent. This change has ensured that the needs of the schools are met more efficiently and effectively."

"This measure will codify the complex-based governance system of the DOE. It will facilitate the delivery of educational and related services to the schools. It will enable each complex to improve its curricula in alignment with the statewide performance standards and articulate a more coherent progression from kindergarten to grade 12."

"Mr. Speaker and colleagues, I urge you to support this measure."

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

"Thank you Mr. Speaker I am standing in opposition to both bills and I would like to submit comments in the Journal that would apply to both bills. Mr. Speaker I'd also like to adopt the words of my colleague from Mililani as if they were my own. Thank you," and the Chair "so ordered." (By reference only.)

Representative Thielen's written remarks are as follows:

Mr. Speaker, I rise to speak in opposition to HB 289, CD1, that establishes fifteen complex areas comprising multiple school complexes. This bill is far removed from any concept of education reform. Education reform is based on four basic principles: strong accountability for results, increased flexibility and local control, expanded options for parents, and an emphasis on teaching methods that have been proven to work. This measure accomplishes none of these principles."

"It may sound like a small step towards decentralization but it doesn't even accomplish that. Earlier versions of the bill had advisory councils and specific lists of powers that could be decentralized. All this bill does is move the deck chairs on the Titanic by renaming job titles and creating additional offices. This is a nothing measure that does not deserve anyone's vote. I will be voting "no" on HB 289 and on HB 1175 and I would urge my colleagues to do likewise. Thank you, Mr. Speaker."

At this time, the Chair stated:

"Members, is there any further discussion on both measures, since the discussion has been on both Conference Committee Report No. 137 and 138."

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

"Thank you, Mr. Speaker. I am rising in opposition to both bills. It just seems like we are just moving the chairs around on the Titanic here. I think at the last election it was clear people wanted a change. We already have district superintendents, and now we are expanding it to 15 complex areas where as the district superintendents used to take care of all the schools in an area twice as large. The important thing is this is still coming from the DOE down here on Miller Street.

"It is not coming from the people that live in those areas, and I believe that the people made it clear that they wanted elected county or community boards that are closer to their schools, and we are not getting there. Many of the deputy superintendents were principals, then they move up the hierarchy. They may not have even been in schools in that complex area but its still more of the same so it is very hard to get enthusiastic about something that is just more of the same, and pretty much maintains the status quo. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. In opposition. First of all, I'd like the words of the Representative from Mililani as if they were my own," and the Chair "so ordered." (By reference only.)

Representative Moses continued, stating:

"I agree with the previous speaker. We are moving the chairs around while the Titanic is sinking. But you know, the whole thing about the change that we talked about during the last election was really giving some people power. The people out there are screaming for a little bit of say of what we do here. In fact, they rather have us not do so much so they can do it. We didn't give them any power here. We are promoting a bunch people, giving them more pay I believe. It doesn't do anything for our schools.

"I heard the comments about maybe it will get each complex to be more coordinated but that is their job now. That is why you have district superintendents to do that. I thought our statewide system was to ensure that every student was treated the same. That is what I keep hearing. So now we are going to have one complex that is good, and one that is not good. Is it a complex area now instead of a complex? I am getting very confused Mr. Speaker, and I don't see it. That it will help clarify anything for our students either. So I will just wrap it up and say I am opposed to both. I think the people want real reform, and I guess, power to the people."

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

"Mr. Speaker, thank you. Power to the people. Right on. Yes.

"H.B. 1175, I stand in support. This is basically a housekeeping bill, so again I am kind of baffled about what the concerns are. This basically puts in the Deputy Superintendent. That was an oversight not to put the Deputy Superintendent in that new salary structure. Complex area superintendents were taken care of last year. So it sets the salary for the Deputy Superintendent at 80% of the Superintendent's salary. That is basically what this bill does.

"I am also puzzled when people talk about, and I don't know what they are referring to, when they said that people wanted

change. I guess that is reference, I suppose, to elected school boards, or something like that. I would remind this Body that the Majority Party increased its membership in here in the last election. That represents change I suppose, in some degree.

"Other people in my opinion, supported change because they thought they would have no excise tax on food. They wanted that kind of change. Or no change in Act 221. And yes, I am out of order. Thank you, Mr. Speaker."

The Chair interjected, stating:

"Representative Takumi, yes."

Representative Meyer rose and stated:

"Would you ask the speaker to stick to the merits of this bill?"

The Chair responded, stating:

"That is why he was out of order and he sat down."

The motion was put to vote by the Chair and carried, and the reports of the Committees were adopted and H.B. No. 289, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Final Reading by a vote of 36 ayes to 14 noes, with Representatives Blundell, Ching, Finnegan, Fox, Halford, Jernigan, Leong, Marumoto, Meyer, Moses, Ontai, Pendleton, Stonebraker and Thielen voting no and, with Representative Bukoski being excused; and

H.B. No. 1175, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF EDUCATION," passed Final Reading by a vote of 36 ayes to 14 noes, with Representatives Blundell, Ching, Finnegan, Fox, Halford, Jernigan, Leong, Marumoto, Meyer, Moses, Ontai, Pendleton, Stonebraker and Thielen voting no and, with Representative Bukoski being excused.

The Chair directed the Clerk to note that S.B. NO. 1442, HD 1, CD 1 and H.B. Nos. 1456, HD 1, SD 1, CD 1; 281, HD 1, SD 2, CD 1; 638, HD 1, SD 2, CD 1; 289, HD 2, SD 2, CD 1; and 1175, HD 2, SD 1, CD 1; had passed Final Reading at 7:48 o'clock p.m.

Conf. Com. Rep. No. 139 and H.B. No. 640, HD 1, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that H.B. No. 640, HD 1, SD 2, CD 1 pass Final Reading, seconded by Representative Lee,

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

"Thank you, Mr. Speaker I am rising in support with some reservations. Thank you, Mr. Speaker. This is using the Hurricane Relief Fund. The reason why I am not opposed necessarily and have some reservations is of course, its being used for mitigation, so we don't have so much damage when we fix our homes and structures. So it has some relationship to the money in the Hurricane Relief Fund, which I think that aspect is good.

"My reservations however are that we are taking a million dollars out of the Hurricane Relief Fund. We can't keep doing that of course, because then there will be no Hurricane Relief Fund. We may find ourselves in need of this when there is another hurricane. Not only do we take the million dollars out, but if there is any excess after the Act, it says that the money

should be returned to the general fund. So it is not even returned to the Hurricane Relief Fund. So I have real reservations with that. Thank you."

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

"Thank you, Mr. Speaker. I am rising in opposition to Conference Committee Report No. 139. This bill went through a number of different amended versions. I do see the nexus between the Hurricane Relief Fund and mitigation, a mitigation program that would make sure that the damage will be far less with the hurricane. But the earlier version had the money coming out of the interest in the Hurricane Relief Fund and now we are taking money from the corpus, and that is the problem that I have. I do think it is a good cause and there is federal money, matching funds, and it could stimulate a lot of construction work, which would be positive. Thank you, Mr. Speaker."

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

"Mr. Speaker, rise in support of this measure. Mr. Speaker, we often discuss raiding funds that have no logical connection to the programs being funded. In this case, we are tapping the corpus of the Hurricane Relief Fund to encourage residents to buy devices to secure their homes in the event of a devastating weather condition. There is an obvious connection here. By covering their windows and reinforcing their roof, homeowners can substantially reduce their hurricane insurance premiums and resulting clean up costs. That means the State can stretch the benefits of the \$197 million now sitting in HHRF. Hurricanes may be an act of God, but damage can be mitigated by an act of this Legislature. 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. 640, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE LOSS MITIGATION GRANT PROGRAM," passed Final Reading by a vote of 42 ayes to 7 noes, with Representatives Blundell, Ching, Fox, Halford, Leong, Meyer and Thielen voting no and, with Representatives Bukoski and Tamayo being excused.

The Chair directed the Clerk to note that H.B. No. 640, HD 1, SD 2, CD 1, had passed Final Reading at 7:52 o'clock p.m.

At this time, the Chair stated:

"Members, you are all aware that Conference Committee Reports Nos. 140 and 141 were this morning's floor amendments and will be addressed on Thursday."

REPORTS OF STANDING COMMITTEES

At 7:53 o'clock p.m., Representative Lee requested a recess and the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 7:53 o'clock p.m.

SUSPENSION OF RULES

Representative Lee moved to suspend the rules for the purpose of considering bills on Third Reading on the basis of a modified consent calendar, seconded by Representative Meyer.

The Chair then stated:

"Members, any questions on the motion to consider certain Senate bills for Third Reading by consent calendar? The reason why this is Third Reading, Members, is that there is no House draft or Conference draft. Does everyone understand the process?"

The motion was put to vote by the Chair and carried, and the rules were suspended for the purpose of considering bills on Third Reading on the basis of a modified consent calendar. (Representatives Bukoski and Tamayo were excused.)

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 1675) recommending that S.B. No. 3, SD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 3, SD 1, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS FOR NORTH HAWAII COMMUNITY HOSPITAL, INC.," passed Third Reading by a vote of 49 ayes, with Representatives Bukoski and Tamayo being excused.

The Chair directed the Clerk to note that S.B. No. 3, SD 1, had passed Third Reading at 7:54 o'clock p.m.

Representatives Morita, Hiraki and Hamakawa, for the Committee on Energy and Environmental Protection and the Committee on Consumer Protection and Commerce and the Committee on Judiciary presented a report (Stand. Com. Rep. No. 1676) recommending that S.C.R. No. 33, SD 1, be adopted.

Representative Saiki moved that the report of the Committee be adopted, and that S.C.R. No. 33, SD 1 be adopted, seconded by Representative Lee.

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

"Thank you, Mr. Speaker. I will be voting no on this resolution. I feel that it is unnecessary. The Attorney General has so testified, or his office has. This duplicates much of the work that the Attorney General is already doing. The office investigating the possibility of joining in on a lawsuit, and if there is any reason to do so, the office will certainly join in. I feel that it is totally unnecessary, so that is the reason for my no. Thank you."

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

Representative Finnegan's written remarks are as follows:

"Mr. Speaker, I rise in opposition to Standing Committee Report 1676, S.C.R. 33, S.D. 1. My problem with this resolution is not that I believe we should go easy on potential cases of tax fraud. I believe, as I know our Governor believes, that any allegations of tax fraud need to be investigated thoroughly and, if they are credible, need to be pursued and punished to the fullest extent of the law. If the Administration believes ChevronTexaco has committed tax fraud, then they should pursue the case, and I know they will.

"My problem with this resolution, Mr. Speaker, is that we are deciding the case for them and telling them to pursue it without having all of the evidence available to us. The only evidence this Chamber has had presented to it is that contained in

Professors Gramlich and Wheeler's report. While the report makes a convincing case, it does not have in it the full range of evidence that the Attorney General's office has access to. The Attorney General's office will make a thorough and fair review of the evidence and, if they believe the case has merit, they will recommend to the Governor that the State pursue it. We should not be prejudging the determination of merit for them, especially when we have seen only part of the evidence they have access to.

"In particular, Mr. Speaker, I am concerned that the purpose of this resolution is to create the appearance that, if the Administration decides not to pursue the case, that they are doing so against the evidence and for unethical reasons. That is why I say again that in passing this resolution, we are the ones acting on partial information, not the administration when it comes to its decision.

"I do not believe we should be telling the Administration to pursue a case when we do not have access to all of the information it has. For this reason, I oppose this resolution.

"Thank you, Mr. Speaker."

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

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

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

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

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.C.R. No. 33, SD 1, entitled: "SENATE CONCURRENT RESOLUTION URGING THE STATE TO PURSUE LITIGATION AGAINST CHEVRONTXACO FOR NONPAYMENT OF TAXES," was adopted, with Representatives Finnegan, Halford, Jernigan, Leong, Marumoto, Moses and Ontai voting no, and with Representatives Bukoski, Stonebraker and Tamayo being excused.

THIRD READING

S.B. No. 617:

Representative Saiki moved that the report of the Committee be adopted and that S.B. No. 617 pass Third Reading, seconded by Representative Lee.

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

"Mr. Speaker, I am opposed to this measure because it constitutes a delay in implementing the will of the people. They voted in the last election. They said they wanted direct filing and we are dragging our heels. Thank you."

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

"Mr. Speaker, I rise in support. Mr. Speaker, if there is any delay in this measure in doing the direct files, it is because of the Prosecutor's Office did not go ahead and do a study. The

agreement that we had with the Prosecutor's Office was that they were to go ahead and do a taskforce study. To take a look at what other states are doing to make sure that we don't duplicate the same problems that they have. So this study is really necessary to make sure that when we do the bill next year, we have a clean bill before us. Thank you."

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

The Chair responded, stating:

"This is Third Reading. Representative Meyer, do you have Representative Jernigan's no vote recorded?"

The motion was put to vote by the Chair and carried and, S.B. No. 617, entitled: "A BILL FOR AN ACT RELATING TO CRIMINAL OFFENSES," passed Third Reading by a vote of 46 ayes to 3 noes, with Representatives Fox, Jernigan and Meyer voting no, and with Representatives Stonebraker and Tamayo being excused.

S.B. No. 1275:

Representative Saiki moved that the report of the Committee be adopted and that S.B. No. 1275 pass Third Reading, seconded by Representative Lee.

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

Representative Pendleton's written remarks are as follows:

"Mr. Speaker, I rise in strong support of Standing Committee Report 1674, Senate Bill 1275, relating to assault against law enforcement officers. This measure sends the message that we will not tolerate assaults against law enforcement officers.

"This measure provides for a class C felony offense for assaults against law enforcement officers engaged in the performance of duty. This bill would add a new section to chapter 707 and amend section 707-712.5, Hawaii Revised Statutes.

"This measure expresses the legislative intent that the term "law enforcement officer" includes, but is not limited to police officers, sheriffs, sheriff deputies, Department of Land and Natural Resources enforcement officers, and investigators within the Department of the Attorney General.

"I believe this protects more law enforcement officers and as a result we could stop the rising number of assaults. According to the County of Hawaii's testimony, Police Chief Lawrence K. Mahuna Police Chief stated, "This bill would allow for the penalty for an actual assault to be equivalent to that of a threat, affording Hawaii's law enforcement officers with added protection while engaging in the performance of their duties.

"I believe that we should protect our law enforcement officers because they are working to protect us. Therefore, we should enhance the penalty to protect our law enforcement workers.

"For these reasons, Mr. Speaker, I support Senate Bill 1275, Standing Committee Report 1674. This bill would protect our law enforcement workers and reduce the rising number of assaults. And I urge all my colleagues to vote in favor of this measure. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried and, S.B. No. 1275, entitled: "A BILL FOR AN ACT RELATING

TO ASSAULT AGAINST LAW ENFORCEMENT OFFICERS," passed Third Reading by a vote of 49 ayes, with Representatives Stonebraker and Tamayo being excused.

Representative Bukoski rose and stated:

"Brief recess, Mr. Speaker."

The Chair responded, stating:

"I can't call a recess at this point. Would you like to change your vote?"

Representative Bukoski: "I am just wondering if I could register a no vote for Standing Committee Report No. 1676 on page 18? The resolution?"

Speaker Say: "The vote has already been taken, Representative Bukoski."

Representative Bukoski: "Then Mr. Speaker, can I just state for the record that I am opposed to this resolution?"

Speaker Say: "Your remarks will be recorded."

The Chair directed the Clerk to note that S.B. Nos.: 617 and 1275 had passed Third Reading at 7:59 o'clock p.m.

END OF CALENDAR

At 8:00 o'clock p.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 8:05 o'clock p.m.

Conf. Com. Rep. No. 84 and S.B. No. 459, SD 1, HD 1, CD 1:

Representative Saiki moved that the report of the Committee and S.B. No. 459, SD 1, HD 1, CD 1, be recommitted to the Committee on Conference, seconded by Representative Lee.

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

"Thank you, Mr. Speaker. I am in strong support of the motion to recommit. I think the bill was seriously flawed and I congratulate you for you and the Majority Caucus for taking this step. I'd like to see us do campaign reform but I think that campaign reform should be done properly and not where the loopholes are so giant that you could drive a truck through them. Thank you."

Representative Schatz rose to speak in support of the motion, stating:

"Thank you, Mr. Speaker. Very briefly in support of the recommittal. The reason I think that this recommittal is necessary is that I don't think that this campaign reform bill meets the standards that the public has for us, and it doesn't meet our own standards. I think this bill is not actually better than nothing. We owe it to the public and to ourselves to do a better job next year."

Representative Stonebraker rose to speak in support of the motion, stating:

"Thank you, Mr. Speaker. I stand also in support of the motion. I'd like the words of the previous speaker entered into

the Journal as my own. I couldn't have said it better," and the Chair "so ordered." (By reference only.)

Representative Stonebraker continued, stating:

"The people of Hawaii deserve the best and it is for that reason that your Minority Caucus has introduced in the past a couple of amendments to this bill. We wanted the best and hopefully we can work in a bipartisan way in the upcoming sessions on a campaign spending reform bill that would reflect the best that we can offer to the people of Hawaii. Thank you."

Representative Fox rose and stated:

"Thank you, Mr. Speaker. I just wanted to say to the words of the previous speakers, 'Amen.'"

Representative Saiki rose to speak in support of the motion, stating:

"I rise in support of this motion. I just have brief comments. I think what we've learned is that campaign finance reform is a very complicated area of law. Campaign finance reform is still a priority for our Caucus. What we want to do is to spend some time to really take a comprehensive look at all of our State laws and to see how we can improve them. We'll come back next year with a proposal. This will also give us an opportunity to work with the entire public and to get input on the various specific issues which confront us. Thank you."

Representative Halford rose to speak in support of the motion, stating:

"Mr. Speaker, thank you. In support. I think good campaign reform is very simple, and this side of the aisle has proposed good reform, simplistically. One of them specifically is to eliminate the nexus or context between campaign donations ..."

Representative Luke rose to a point of order, stating:

"Point of order. We are speaking on the recommittal and it is improper to speak on other measures at this time."

The Chair responded, stating:

"Your point is well taken. It is based on the motion of the recommittal, if you are speaking in support. Please proceed."

Representative Halford continued, stating:

"Well then, I will just keep my comments simple. Thank you."

Representative Caldwell rose to speak in support of the motion, stating:

"Mr. Speaker, I wanted to rise in support of the recommittal. I think we all owe a great deal of thanks to the Representatives from Hilo and Halawa for all their hard work, patience, and perseverance in trying to pass out a bill that was true reform. It is unfortunate that it didn't turn out that way, and I am glad that we are able to come back and revisit it next year."

"Mr. Speaker, if we want to return to the level where we were before in this State when we had one of the highest levels of voter participation, now it is one of the lowest, we have to work hard to get the voters reengaged in the political process. And that means reforming campaign spending, how we raise money, and how we spend money as politicians. Thank you very much, Mr. Speaker."

Representative Finnegan rose in support of the measure and asked that the remarks of Representatives Thielen and Schatz be entered in the Journal as her own, and the Chair "so ordered." (By reference only.)

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

Representative Lee's written remarks are as follows:

"Mr. Speaker I am entering this Journal statement in support of the recommittal of SB 459, SD 1, HD 1, CD 1, a bill regarding the financing of campaigns.

"Mr. Speaker, while I strongly believe that campaign finance reform is needed, SB 459, while containing some good provisions, is a fatally flawed bill. For the electorate to regain its trust in us, their elected officials, we need to pass a bill that is more uniformly positive. SB 459 would have improved some areas of the election system but it also would have made other aspects of the election process more susceptible to corruption not less.

"In particular, I strongly objected to the provision in the bill that would have doubled the amount that candidates can donate to charity through their campaign committees. On its face, donations to charity would appear to be a good thing. To the charities that receive the donations from campaign committees it undoubtedly is a good thing. However, if you look at the broader perspective you have to wonder what the cost is to good governance.

"Some candidates solicit large donations from well-healed donors that they do not need for their election campaigns. They then turn around and dole out this cash to various organizations in their community engendering goodwill towards them and their campaigns. What do these big donors expect in return? They expect access to the elected official and they expect to be able to make their case on their own narrow interests to an elected official who is indebted to them for the goodwill he/she has received from the community because of the charitable donations he/she made. How many appropriations does the Legislature make because Senators and Representatives feel obligated to cater to specific donors' interests? How much money could taxpayers save if issues were always decided on their merits and not on the wishes of large donors? We will not know until we eliminate provisions that close these loopholes. SB 459 goes in exactly the wrong direction on this issue.

"Another aspect of SB 459, CD 1, that I found very troubling was its elimination of public financing for special elections. Again, this is the wrong direction to take. Because of the inherent advantages of incumbency, special elections often determine the Representative or Senator for years after the special election. Getting elected the first time is the most difficult. After that the recognition that goes with holding public office gives incumbents a substantial advantage. Public financing in special elections can help candidates who do not have big money backing to have a fighting chance against big money interests. It seems to me that public financing in special elections is more important than public financing in regular elections not less.

"There were important aspects of SB 459 that I supported and which I regret to see scuttled for the session. The CD 1 would have begun to break the link between campaign contributions and the awarding of government contracts by prohibiting contractors who receive large non-bid contracts from contributing to candidates who have control over the awarding of contracts.

"Many people, including me, believe that there is an inherent conflict of interest in allowing government contractors to make campaign contributions. In the vast majority of cases government contractors would not make contributions if they did not think they would get something in return. That "something" may not directly be a signed contract, but it often gives the contributor the little edge that makes the difference. It gives them the access to the right people to make the case that it is their company that should be hired. It allows them to tilt the process, even if ever so slightly, in their favor. It is true that not every business that makes a contribution gets the contract that it wants, but you will have a hard time convincing me and many, if not most, of my constituents that political contributions do not make a difference.

"SB 459 would have brought us closer to where we need to be with regard to government contractor contributions. I do not believe that it would have gone far enough, but it would have been a start.

"Next year we really must move the reform process ahead. The people of Hawaii deserve and expect no less.

"Mr. Speaker, mahalo for the time to address these important issues."

Representative Meyer rose to speak in support of the motion, stating:

"Thank you, Mr. Speaker. I rise in strong support of the recommittal. I think that it became clear to most of us in this Chamber that what we were working with had many, many flaws and was not truly reform. So I know that working together we can come up with something that is truly campaign spending reform."

Representative Marumoto rose to speak in support of the motion, stating:

"Thank you, Mr. Speaker. I support the motion to recommit because it would have been very difficult to vote against the bill that is labeled a reform. And many of us on this side of the aisle felt that it was a bogus reform, so thank you for recommitting the measure."

Representative Hale rose to speak in support of the motion, stating:

"Thank you, Mr. Speaker. I rise in strong support of recommitment too because I have always been very critical of some of the electoral processes and particularly the campaign processes that have put some previously elected officials in office. So I would like to put some more written comments into the Journal," and the Chair "so ordered."

Representative Hale's written remarks are as follows:

"Mr. Speaker, I requested this opportunity to insert written remarks in the House Journal because I wanted to make my position clear on campaign financing reform. I am concerned because I believe that the public is disillusioned about our democratic political process. It is widely believed that money influences the political process unduly. I am convinced that the only way to clean up our elections process is by public financing whereby candidates have to raise a minimum amount of contributions from many people to support the candidate, say \$2.00 to \$5.00, from residents in their district. I also think that media, radio, television and newspapers need to be forced to give free publicity to the election process by requiring that candidates meeting this requirement get free media exposure.

"The proposed bills that have been put to the Legislature this year do not go far enough. I hope that this bill, having been referred back to the Conference Committee, will next year be completely rewritten to really clean up the election process so that we can begin to restore confidence in the electorate in the legislative process."

Representative Leong rose to speak in support of the motion, stating:

"Thank you, Mr. Speaker. I am also in favor of this recommitment. I think by waiting, we can do a better job than what's been happening so far. And we all can look forward to a better time. Thank you."

Representative Jernigan rose to speak in support of the motion, stating:

"In support, Mr. Speaker. I'd like to work next Session on true campaign finance reform."

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

Representative Ontai's written remarks are as follows:

"Campaign reform that is partisan, cannot be campaign reform. The fact that the vote on this bill, as currently written, would have been exactly along party lines in itself would be extremely troublesome. What kind of campaign reform would be supported by only one party over the other? True campaign reform may be controversial, but if it is partisan, it certainly cannot be good legislation."

Representative Blundell rose to speak in support of the motion, stating:

"Thank you, Mr. Speaker. In strong support of recommitment. I think there is a lot of good discussion came out on this bill over the last month or so. I think we can go back and take another look at it and come out with a bill that is very meaningful. Thank you, Mr. Speaker."

Representative Thielen rose and stated:

"Mr. Speaker, thank you. I would also like to ask if I may have permission to insert a letter in the Journal from Dr. Robert Watada, the Executive Director of the Campaign Spending Commission, to me, dated as of today. And if this may go into the Journal."

Representative Saiki rose to a point of order, stating:

"Mr. Speaker, point of order. That letter would not be permissible on a motion for recommitment."

The Chair responded, stating:

"Yes, you are not allowed to submit this as part of your statement on the recommitment motion at this point in time."

Representative Thielen: "Thank you, Mr. Speaker. Well then, maybe I could just ..."

Speaker Say: "Representative Thielen, the motion before this House is the motion for recommitment. There is no substantive matter that is before of us. Just the motion for recommitment."

Representative Thielen: "Then in the motion for recommitment ..."

Representative Saiki: "Point of order. The Chair has made a ruling."

Speaker Say: "The Chair has made a ruling that you cannot submit that written comment."

Representative Thielen: "I don't intend to do that. I was just going to continue with my comments."

Speaker Say: "Please proceed."

Representative Thielen: "Thank you, Mr. Speaker. In my support of the motion to recommit, I just wanted to note there was a serious flaw in the underlying bill."

Speaker Say: "Representative Thielen, ..."

Representative Thielen: "You don't want me to into that at all. Then maybe what I'll do Mr. Speaker, is just share a copy of the letter with colleagues, but I'll do that through the inter-office mail delivery system so people can see what the serious flaw was. Thank you."

Speaker Say: "Yes, that would be fine."

The motion was put to vote by the Chair and carried, and the report of the Committee and S.B. No. 459, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CAMPAIGN SPENDING," were recommitted to the Committee on Conference.

Conf. Com. Rep. No. 111 and S.B. No. 1088, SD 2, HD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1088, SD 2, HD 2, CD 1 pass Final Reading, seconded by Representative Lee.

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

"I rise in opposition to this measure. Mr. Speaker, I've long held the position that we, and we alone, are responsible for our own destinies. We've created a society where government has become our brother's keeper and it has taken away the people's self-responsibility. This needs to stop. We are responsible, not government, for how we are situated when the time comes for us to retire."

"Mr. Speaker, before we venture into the socialized medicine arena, we should spend the time to study the system, the systems that are in place in other countries. For the most part, these systems result in poor services, long wait-time for services, and huge costs to the citizens. I have family that live in three of these countries that have socialized medicine, and without exception, none of these countries' healthcare systems can compare with what we have in this country. My family buys in insurance just so they can obtain timely first class care. These systems tend to be understaffed and because of that, they spend most of their time taking care of emergency patients. Those that are not emergency have to wait for care, sometimes many months. Also there are instances of patients dying waiting for a hospital bed."

"Mr. Speaker, this proposal will cost every working citizen \$120 per year beginning with the year 2005, and increase every year after that. And by 2011, the amount taken from our bank accounts will be more than double. A whopping \$267 per tax payer. In addition, the State will have to add to the already bloated bureaucracy by adding employees to administer these

so-called benefits. Mr. Speaker, in order to establish the necessary reserves for this program, a \$187 million would be drawn out of the Hawaii's economy in the first two years, with approximately \$1.3 billion being drawn out by year 10 of the program. This is money that would otherwise be spent by consumers that is helping to support the small businesses that drive Hawaii's economy. We should all recognize that to maintain a strong economy, we must keep that money circulating in the economy.

"Mr. Speaker, we have in this State private long-term care programs that are available to anyone that chooses to participate. We should encourage our citizens to participate in these programs by offering the tax incentives that this bill offers. It is for these reasons that I am voting against this measure, and encouraging my colleagues to also oppose it. Thank you."

At 8:18 o'clock p.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 8:19 o'clock p.m.

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

"Thank you, Mr. Speaker. And good evening. I'd like to speak in strong support on S.B. 1088. Mr. Speaker, many of us people here on the floor are visionaries. In fact, I believe one of the main reasons we serve is because we have a vision of the future for Hawaii that provides for a quality of life for all.

"Imagine if you will Mr. Speaker and colleagues, a society where improvements in medical technology, genetics and pharmaceuticals enable people to live past a hundred as a norm, rather than an exception. Does anybody here believe that? That, that is a part of their vision? Imagine a society where there are more people retired than working. Is that possible? I believe it is. However, with the blessings of long life comes the added costs and responsibility of caring for those who are elderly and frail. Unless you plan now, we must also envision warehousing these elderly.

"Two questions we need to face right here and right now. One, who will provide the care for this burgeoning population? And two, who will pay for the ever increasing cost of care? Nursing home care cost is currently averaging over \$68,000 a year. And the cost is projected to rise to \$200,000 by the year 2020. Given current population trends, there will also be fewer people in the workforce compared to those who are under a working age or retired. The current nursing shortage is just an indication of the caregiver shortages we face, and are portent of more critical shortages to come.

"An estimated one third of adults are engaged in providing informal care for disabled persons. The average age of the caregiver is 46, and 70% of them are women. When caring for a frail, elderly or disabled family member or members become too difficult at home, the caregiver is faced with the problem of paying for institutional care. According to the Coalition for Affordable Long Term Care, 85% of long-term care is provided in the home by families or friends who often pay for most of the expenses out-of-pocket. In many cases, the family member in need of care must spend down assets to poverty level, then become dependent of government for payment for that skilled nursing level care. That accounts for the cost of the aged, blind and disabled in Medicaid constituting the largest increases in most state budgets for Medicaid.

"Unfortunately, here in Hawaii, we are ill-prepared to place even those who are eligible in nursing homes. The Executive

Office on Aging report on family caregivers cites Hawaii as having the lowest nursing home bed ratio in the nation, which is 28 beds per 1,000 persons, 65 years and older. Compared to the national average of 61 beds per a 1,000 people. Yet Hawaii has the highest grade of longevity in the nation, and the third highest in the world.

Representative Meyer rose and stated:

"Mr. Speaker, the present speaker seems to be talking about beds in hospitals. This bill doesn't cover anything like that so I don't know how that fits in with the bill that we are discussing at this time. We are talking about temporary care at home."

The Chair responded, stating:

"The measure before all of us deals with the tax increase, as far as having home services at \$70 a day, and the Chair will allow the speaker to continue on his presentation to the Members of this House."

Representative Arakaki continued, stating:

"Thank you, Mr. Speaker. That is exactly the point. The point I am making is that we don't have enough nursing home beds and people can't afford it.

"According to the health trends in Hawaii, the number of older olds are increasing dramatically. And between 1990 and 1999 the number of residents age 75 years and older increased by 62%. And the number of those 65 to 74 year-old increased by 13%.

"Some believe that we need to promote the purchase of private long-term care insurance as the answer, and most of us would agree. However a recent AARP survey showed that most Americans age 45 and older are not familiar with the cost of and funding sources for long-term care services. Few of us are prepared for long-term care costs, with only 7% having long-term care insurance and the private long-term care insurance coverage is only 3%."

Representative Fox rose to a point of order, stating:

"Point of order, Mr. Speaker. The speakers time is expired."

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

Representative Arakaki continued, stating:

"Thank you, Vice Chair. As I said, few of us are prepared for long-term care and long-term care insurance covers less than 3% of the cost of all long-term care. Unfortunately, many of us will wait until we find the need for it before we seriously think about it. Cost for families are spiraling, and so too are government costs, with the burden to taxpayers, over \$100 million annually. Just recently, we were asked to approve a \$90 million emergency funding for Medicaid, and most of those unanticipated increases were for the aged, blind, and disabled Medicaid population. So these are costs we have no control over. Current trends show that costs to families and to government will continue to spiral out of control unless we can establish an affordable plan that will ease the financial burden on both families and government. We need to make the tough decisions now in order to avoid the financial 'iceberg' in the future, that our children and grand children will certainly crash into if we continue to do nothing. We must make that investment now while it is still affordable to prepare this state for the future.

"Colleagues, to put things in perspective. For the costs of two *bentos*, for less than the cost of two movie tickets, and certainly less than a carton of cigarettes, Hawaii citizens can be provided with a minimal level of care when they need it. I realize that some young people find it difficult to be visionary on long-term care because they are basically healthy and feel invincible. But ask those who were young when social security was enacted, and many of them are glad that, that safety net was put into place for them when they needed it.

"Mr. Speaker and colleagues, this is not the panacea that answers all the needs for long-term care. It is indeed a lifeboat compared to an ocean liner of needs for the future. The lifeboats, for those who were on the Titanic, I am sure they preferred a small life boat than trying to hang on to fragments of a broken ship in freezing waters. But with the passage and enactment of this bill, we will be telling all our citizens, especially the elderly and disabled, that we value and care about them. We will also be telling the rest of the nation that providing compassionate affordable quality care for the frail, elderly, and disabled adult is a cherished societal value. And mark my words, when we accomplish this, other states will follow and perhaps even our federal government will see the wisdom of this kind of investment.

"So for the sake of future generations, we must show foresight and courage by establishing this basic system of care. The time to act is now. We owe it to our elders and the generations gone before who have labored and sacrificed to provide us with the Hawaii that is a special place to live. Now is the time to show the nation and the rest of the world what it means to have a compassionate and caring society, and a government that honors its elders with aloha. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. I rise in support, and request that the words of the Chair of Health be entered in the Journal as my own," and the Chair "so ordered." (By reference only.)

Representative Kahikina continued, stating:

"Mr. Speaker, for those of us who will live to the age of 65, we face the 48.6% chance of spending some time in a nursing home. An alarming 71.8% chance of needing some level of in-home care."

Representative Fox rose to a point of order, stating:

"Point of order, Mr. Speaker. Mr. Speaker, this is not about taking care of the nursing home problem. This bill addresses a different need."

The Chair responded stating:

"Representative Fox, I believe the speaker has the floor right now and he is addressing the proposed measure that is before us as a Conference draft, in addressing the funding of nursing homes for all of us who will be taking long-term care. So please proceed, Representative Kahikina."

Representative Kahikina continued, stating:

"Thank you, Mr. Speaker. In Hawaii, the average daily cost of such a care is \$147 a day, or \$53,655 a year, in today's dollars. So where does the money come from to pay for this long-term healthcare? It is no surprise that over 50% of long-term care expenses are paid by Medicare and Medicaid. However, the types of services covered under the Medicare program are limited, and Medicaid eligibility is only available

to those with assets of \$2,000 or less. In other words, a person must be essentially destitute in order to qualify for benefits. Almost 46% of the expenses for nursing home and in-home care comes from personal, out-of-pocket savings. Usually from savings originally intended for enjoying retirement or passing on as part of an estate.

"The available data that we have looked at further reviews, and that 72% of individuals entering a nursing home will deplete their life savings and other assets in order to fund a single year of care. A mere 1% of the money used to pay for long-term care came from private insurance. Hardly surprising given the fact that 89% of the US population does not have any private long-term care insurance at all.

"Some people call it a tax. I call it paying for services that you are going to need, and one day we will need in the future. You may call it socialism and social services, but I call it compassion. I ask all of our Members to support it."

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

"Thank you, Mr. Speaker. In opposition. It was said of Karl Marx that he was a brilliant critic of a capitalistic system. But clearly Marx failed to design a good replacement. Capitalism thrives in the 21st century, and communism ..."

Representative Kahikina rose to a point of order, stating:

"Point of order, Mr. Speaker. I don't see the relevance of Mr. Marx in long-term care."

Representative Fox continued, stating:

"Basically Karl Marx got the problem wrong. He couldn't define the solution. We have the problem correctly defined by the previous two speakers. We have a tremendous long-term care problem it is a massive problem that sits in front of us. We are nowhere close to designing a proper solution to the problem. This bill is not the solution.

"I would like to refer briefly to four points in the Committee Report. The first is that this measure represents a culmination of 15 years of Legislative and Administrative efforts beginning in 1988. During the period of this 15-year effort, a smaller percentage, every year, of our population has been covered by medical care. Would that the effort that has gone in so vigorously to trying to get a handle of the long-term care problem, gone into covering the uninsured in this community. That is a serious need that we face.

"The dimensions of this problem have been mentioned by the previous speaker and are also mentioned in the Committee Report. By the year 2020, Hawaii families may face nursing home costs of at least \$200,000 a year. That massive amount of money is offset by a bill that calls for the payment of \$30,295 a year, for one year. A lifetime of taxation for a year of care. Your year comes out to \$30,295 at the end of this bill. That doesn't get anywhere near tackling the long-term care problem. \$200,000, that is 15% of what is needed to cover nursing home care. We know we are not solving the nursing home problem.

"The Committee Report says that the state program for the poor is paid for under Medicaid. That 3 out of 4 people in Hawaii receive long-term residential care under Medicaid. This program does not deal with the Medicaid problem and I call it a problem. I call it because it costs the State \$115 million dollars a year to take care of people under this program and that cost is going to balloon every single year that we are talking about. And this program does not deal with the

Medicaid problem. The Medicaid problem is what happens after this care ends. Then you go into a nursing home. Then you are covered by Medicaid.

"The serious, serious problem with Medicaid is the nursing home. People don't want to be in nursing homes. We got to tackle that end of the problem. That is where the problem is we want to keep people out of nursing homes. This program is about taking care of people at home before they go into nursing homes.

"Finally, the Committee Report mentions that every dollar collected, I really want to sound out these words. Every dollar collected under this measure will be paid out in the future to taxpayers by way of long-term care benefit programs.

"Mr. Speaker, earlier this evening we heard from one of our colleagues who told us, 'I wasn't here when the deal was cut. I am a legislator. We can always change what we want to appropriate money for.' That is what all of us fear. When you assemble \$1.3 billion and have it sitting there for a program that is not really going to work, there are many, many legislators who are going to look at that \$1.3 billion as solution to our health problems. Forget about anything else. Just help us deal with our health problems. Let's go into that \$1.3 billion fund and take care of our health problems.

"Mr. Speaker, we were asked who will pay for this program? The answer is, us. We will pay for the program. We were asked, how will we pay? We will pay with our own taxes. And what will we get from it? \$83 a day, at the end of 10 years, if we are still around to collect that money. We have serious problems with this bill. We have serious problems with the challenge that is in front of us to deal with long-term care. The solution is bigger than all of us here. It is bigger than the State of Hawaii. Its as big as the United States of America, and that is where the answer lies. Thank you, Mr. Speaker."

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

"Mr. Speaker, I rise in strong support of the measure. Mr. Speaker, the concept embodied in this bill offers hope. The intergenerational approach of young people and older people helping one another for the common good contained in this bill sounds a lot like what our State is about. Programs set up through S.B. 1088 offer hope to the family caregiver, the unsung heroes and heroines who suffer much and ask for so little.

"Critics have called this program many things. Many bad things sometimes. It is difficult for me to understand why it seems to bring out such strong negative feelings. Is it really the denial that we will be old someday? Or that disability will ever happen to us? Or is it simply a lack of awareness of the enormity of the problem? The tax credit in this bill is a good thing, but unfortunately people across the United States are not buying long-term care insurance in great numbers. Why is this? Some believe that Medicare or Medicaid will take care of their needs. Some feel they can depend on their families. That is becoming less likely these days. Some try to buy long-term care insurance and are turned down because of pre-existing health conditions. Others can simply not afford it.

"A comprehensive policy with an inflation rider for a 55 year-old can cost upwards of \$2,300 per year. But what of the long-term care tax we are talking about here today? Everyone, everyone in the State is now burdened with taxes to pay for Medicaid. The estimated average cost per taxpayer in Hawaii is approximately \$400 per year in taxes that go to the Medicaid program, regardless of their potential to use it. This cost goes up every year and the State is mandated by federal law to pay

for the care of certain categories of our population, such as the indigent needing long-term care. The younger already burdened by paying for the care of parents and families pay enormous out of pocket cost for simple services. This program will enable many to stay off the Medicaid rolls by providing the type of service, which enables people to stay in their own homes.

"Interestingly enough, in a recent poll announced on our public access channel O'lelo last week, 72% of the people polled indicated they were willing to pay a long-term care tax. That's 72%. The twice-weekly bath or certain household chores could make the difference between going to a care home and staying at home. A day of respite care for the caregiver would enable many to regain part of the life they have lost and gain the strength to continue the job of family caregiver. It is not necessary to use the benefits 7 days a week, and for that reason the benefits could last several years. I know I have talked about this until I am blue in the face, and I guess I am blue in the face right now. But Mr. Speaker, Hawaii is the only State in the nation that was brave enough to take the bull by the horns and address this issue.

"We're on the cutting edge and our fellow Members should be proud to recognize this. I see some of the advocates up in the gallery and they've put their heart and soul into the work on this issue. We owe them a debt of gratitude. We've shown by this bill that we're willing to take a major step forward to assist the family caregiver. Our steadily growing elder population and the disabled most of all, I want us all to think about how this bill will assist the family caregiver and how important the family caregiver is to the care of the elderly and disabled in this State. Make no mistake about it. The deluge is coming and in fact it will have the effect of a tsunami. I urge the Members to support this measure, which offers the way for both the private and public sectors to work together to keep our loved ones out of institutional care to preserve their dignity and to make all of our lives more meaningful. Thank you, Mr. Speaker."

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

"Yes, Mr. Speaker. I wish to speak for this bill but with a few reservations. First of all, I can see this bill as a good supplement to our long-term care need. However Mr. Speaker and Members, I sit as a trustee for a long-term care institution. There, I noticed that 97% of the clients there are under Medicaid, and 3% pay their own way. Mr. Speaker, I've seen families lose their homes, lose their families, because they are above the income criteria but they cannot afford \$7,000 to 10,000 a month. I know this does not relate, but the problem that we have here is, how can we resolve the problem of long-term care? This is a beginning.

"I would like to see a program like this be expanded into nursing home care. If you are going to be providing all of the dollars that is going into this program, and if you don't expand into long-term care in either intermediate or skilled care, you are going to be having a catastrophic problem in a relatively short time. I believe the Representative from Kalihi Valley has put it very simply, that we have the fewest long-term care institutions in the nation. And we have the longest longevity in the nation. So what does that equate to? It equates to a horrible problem that we have. I don't believe this is going to resolve it. I hate to say it. It will resolve part of it. Provide some respite for the families, and that is good. But Mr. Speaker and Members, we need to come back to this problem again because it is here to stay.

"I agree with the Representative from Waikiki that this is a national problem. In some respects, I don't think we have the capability but we need to begin and this is a beginning. But we

need to look at our Congress to begin to resolve this problem. Otherwise very shortly we will see our families, our parents, and you someday lose all what you have because that is what I've seen. I see it everyday. And that is all, Mr. Speaker. Thank you."

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

"Thank you, Mr. Speaker. In opposition. I heard with great interest about the nursing home costs of \$200,000 a year. Then I heard another speaker say \$55,000 a year. Whichever it is, it is a lot of money. And I also heard that we have fewer working people to support the elderly. I don't see how this measure addresses those problems. We do have a tremendous shortage of long-term care nursing home beds but this doesn't solve the problem. In this measure there is no safeguards either to insure that those relatives or neighbors or whoever takes care of the elderly actually uses the money for the elderly. This is just payments to them. They can use it for anything they want. How are we going to check? There is nothing in the bill to check. And I say, Mr. Speaker, that this measure does not address long-term care at all. It's just a long-term burden on our people for a short term appearance of a solution, because it doesn't solve any problems.

We heard about the two *bentos* and that is all that is going to cost but a few years from now, that cost doubles, more than doubles. So I guess we can buy four *bentos* then. A few years later, this measure will be back before us and we'll increase those amounts of tax again.

"I just want to end by saying no doubt about it Mr. Speaker, this is a tax. It is a tax on the people. Thank you."

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

"I rise in support of this measure. David M. Walker, Controller General of the United States testified before the US Senate Special Committee on Aging that any consideration of long-term care financing must be kept in mind that long-term care is not just about healthcare. It also consists of a variety of services that an elderly or disabled person will need to maintain quality of life. By addressing housing, transportation and nutritional needs, as well as a social support system.

"According to Walker there are several components that need to be included and addressed when shaping an effective long-term care proposal. He lists seven things that need to be considered. One, determining societal responsibilities. Two, considering the role of social insurance. Three, encouraging personal responsibility. Four, recognizing the benefits, burdens and costs of informal care giving. Five, assessing the balance of state and federal responsibilities. Six, adopting an effective implementation system. And seven, developing financially sustainable public commitment. This is what this bill does.

"In the coming years, the number of aging baby-boomers will swell the numbers of elderly with disabilities and the need for services in Hawaii. In addition, the change that is apparent in Hawaii is the swelling ranks of those over 80. We cannot continue to deny that we have a problem. There is no doubt that in addition to private sources of long-term care insurance, we must decide whether society should supplement those services. Government will have to take a role beyond encouraging people to buy insurance. The general accounting office suggests it may be necessary to institute voluntary or mandatory social insurance to assist various gap groups within our society.

"With this bill, as the Majority Floor Leader has stated, Hawaii is on the cutting edge in addressing a growing long-term care crisis. Terry Morton, Health and Human Services Commissioner of New Hampshire said, "If we don't find some alternatives for financing long-term care, it is going to bust the bank, not just for New Hampshire, but for the country. This is bigger than Social Security and Medicare." And I agree Hawaii is in that situation. I am proud to be a Member of a progressive Legislature that is willing to tackle an important quality of life issue for Hawaii's residents.

"When I first became a legislator, I had difficulty in passing legislation. Some one once told me, "Half a sandwich is better than none." And I agree in this case. Half a sandwich is a start in this direction is better than nothing at all. Thank you."

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

"Thank you, Mr. Speaker. In opposition. In this case, the half a sandwich is stolen. It is stolen from my children."

Representative Saiki rose to a point of order, stating:

"Point of order. Could the Representative refrain from using such words?"

The Chair responded, stating:

"Representative Stonebraker, could you refrain from using the word 'stolen'?"

Representative Stonebraker responded, stating:

"If you vote against this bill, this is the angle of the proponents. They want to paint you as non-visionary. They want to say that you don't have vision. You are not progressive, you are not on the cutting edge.

"Well, I am a visionary and this is what I see Mr. Speaker. Here is my vision. Picture this. A \$1.3 billion special fund with the greedy government that has sticky fingers, itching to get at it. No offense Mr. Speaker, but this Body hasn't shown itself to be fiscally disciplined. Our budget is a patchwork of special funds, slush funds ..."

Representative Saiki rose to a point of order, stating:

"Point of order. Our budget is not before us."

The Chair responded, stating:

"Your point is well taken, but the speaker is making reference to the bill before us, tied to the budget. So, please proceed."

Representative Stonebraker continued, stating:

"Thank you, Mr. Speaker. Slush funds, special funds. They act as feeder funds to the general fund. This bill would create yet another special fund, which would be very large at that \$1.3 billion after just a few years. It would be, in my opinion, a giant temptation to raid at every opportunity. It's been said that a recovering alcoholic shouldn't hang around in liquor stores, and I would say that this Legislature, being unable to restrain its lust to raid funds, should not pass such a bill as this.

"The payment beginning Mr. Speaker, is a \$120 a year. That goes up by the year 2011 to \$276 a year. For a couple, that is over \$550. For a family of four with grown children, that is over a \$1,000 a year. The benefits, while the payments more

than double, the benefits go up \$13 and so you have a little disparity there.

"Now there is a tax credit. This is one of the other selling points that there is a tax credit. The payment begins at a \$120 a year and it goes up to \$276. The credit starts at a \$120 a year and goes all the way up to a \$180, so the tax credit is \$100 less than what you'll actually be paying. So the payment actually out-paces the credit. I am not going to say that it's deceptive, but it seems like a scheme."

Representative Saiki rose to a point of order, stating:

"Point of order. The speaker should refrain from intent or motive."

The Chair addressed Representative Stonebraker, stating:

"Representative Stonebraker, could you confine your remarks ..."

Representative Stonebraker: "Mr. Speaker, I didn't say that it was deceptive. I said that I was not going to say that. So for the Majority Floor Leader, I am not going to say that it is deceptive."

Speaker Say: "Representative Stonebraker, could you restrain your remarks in regards to the adjectives that you are using. So, please proceed."

Representative Stonebraker: "I am not sure what the adjectives are in this particular in this case."

Representative Meyer rose and stated:

"Point of inquiry. I don't think the speaker is using profanity or any kind of words that one is not able to. We could use those words at any time."

Speaker Say: "I just hope that he would confine his remarks and not use words like 'being deceptive' or things of that nature. There is nothing in the measure that is deceptive."

Representative Stonebraker: "And that is my point, Mr. Speaker. I said I am not going to say that it is deceptive."

Representative Saiki: "Point of order. Rule 27.4 prohibits the use of disorderly words in debate. I would advise the Representative from Hawaii Kai that he is also on the verge violating House Rule 60.1."

Speaker Say: "Representative Stonebraker, please proceed and confine your remarks."

Representative Stonebraker: "Can I get your ruling on that Mr. Speaker? I don't believe I am using profanity."

Speaker Say: "You are not using profanity, and the Chair recognized you to continue on. But please confine your remarks to the bill, and also trying to address some of these adjectives that have been brought to the floor of this House."

Representative Stonebraker continued, stating:

"What I'm saying is this, Mr. Speaker. The benefits go up \$13, and the payments more than double. I've said it before that when my kids are 10 and 12 years old, my two daughters, I had one last year. Thank you for the flowers. I mentioned my wife is pregnant again with our third. When my kids are respectively 8, 10 and 12 years old, this bill will be taxing my family almost \$600 a year."

"Now, I want to invest in my children. I want to take them on vacation. I want to buy them a bike or a doll house, or go places with them. You pass this bill and I feel like you are robbing my family, and the children of the State of Hawaii, and I cannot support it."

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

"Thank you, Mr. Speaker. In opposition. Mr. Speaker, I am disappointed with this Legislature's work on the long-term care problem for longer than I've been in office. The problem is great and as time goes on, the problem gets worse. The later we start, the worse it is. I've supported every long-term care proposal that has become before this Body, recognizing that need, and knowing that we need to solve the problem, and being very hopeful that we would. This bill Mr. Speaker, doesn't solve our problems sufficiently, and in my view, creates some other problems."

"When we voted on this on Third Reading just a few days ago, maybe a couple of weeks ago, I said that if that version was quite similar to this, actually the version then I think was better than this one now. I said, if this bill stays the same, doesn't improve with the problems that I pointed out, then I would vote no on it today. And I am doing that."

"Mr. Speaker, for the sake of time, I don't want to reiterate some of the problems that have already been brought up. If I could mention one. This is a tax. We know it's a tax, but it is a regressive tax, Mr. Speaker. The problem of a regressive tax, the social problems that come from a regressive tax, are not so easily observed, but they are subtle and corrosive to our community."

"Mr. Speaker, we already have one of the most regressive taxes in the nation, and that is our tax on food and medical services. A tremendously regressive tax. Here we are asking ..."

Representative Luke rose to a point of order, stating:

"Point of order. Will the Member please refrain from speaking on the other bills, and if we can speak on the merits of this bill."

The Chair responded, stating:

"Representative Halford, would you confine your remarks to the bill and not make reference to those particular taxes that were of the past."

Representative Fox rose and stated:

"Point of inquiry, Mr. Speaker. I am puzzled by how the Vice Speaker, who ruled to allow a discussion of Act 221 in the midst of a discussion of another bill, would arise on a point of order about a similar departure. I simply don't understand the nature of the differentiated rulings. We are either going to be liberally tolerant of what goes on in debate, or we are going to be narrowly confined. She was very liberal in allowing the discretion of 221. Thank you, Mr. Speaker."

Representative Luke responded, stating:

"Mr. Speaker, in defense of my ruling on the point of order, and what the Minority Leader has stated. The Minority Leader has stated that had discussion on Act 221, and to be consistent with your ruling on allowing him to talk about Act 221 on another measure, I have allowed discussion on Act 221."

The Chair then stated:

"But on this particular matter Representative Halford, could you confine your remarks because there is nothing before this Body in regards to a tax credit that was repealed a number of years ago. Please proceed."

Representative Halford: "I think I understand you to say not to refer to another tax."

Speaker Say: "A tax credit that was on the books until it was repealed a number of years ago."

Representative Halford: "Nine years ago, we repealed the tax credit."

Speaker Say: "Will you not address that particular issue, but the tax that is before this Body."

Representative Halford: "Mr. Speaker, we're proposing a tax here, and in this taxing, taking money from our people, I think it is relevant that we're taking this money, in the context of all of the money we take. There is a relationship of this tax to all of our taxes. We are adding a new tax. We're impacting ..."

Representative Lee rose to a point of order, stating:

"Mr. Speaker, point of order. I believe you have made a ruling. And you asked the speaker to confine his remarks to the bill before us."

Speaker Say: "Yes, but he is making reference, Members of this House, to a context that whatever this particular proposal is, as a Conference draft, it is related to the overall taxes that we may have on this day and I will let the Representative continue on. But could you confine your remarks to the impact of the \$10 that is in this particular measure."

Representative Halford: "Thank you, Mr. Speaker. I will proceed with saying that this is a regressive tax, and the social problems with regressive taxes, and this is the only regressive tax that we do. This is a common phenomenon in Hawaii tax policy, in tax theory, tax application. Mr. Speaker."

Speaker Say: "Representative Leong, will you yield your five minutes?"

Representative Leong: "No."

Speaker Say: "Representative Blundell?"

Representative Blundell: "Yes, Mr. Speaker. I yield my time."

Representative Saiki: "Point of order. The Representative from Lahaina already spoke."

Speaker Say: "Representative Blundell already spoke. Representative Jernigan? Representative Finnegan?"

Representative Finnegan: "Mr. Speaker, I yield my time."

Representative Halford: "Mr. Speaker, could I take deduct the point of order time? The time taken for points of order?"

Speaker Say: "No. Please proceed. Time is ticking."

Representative Halford continued, stating:

"The mother that makes a minimum wage would pay the same tax as a millionaire. That obviously is problematical as a social problem, to impacting our whole community. I think I

made the point, and others made the point for me. Thank you very much. That this is a regressive tax ..."

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

"Mr. Speaker, I just want to expand a little bit on what the Representative from Wailea just mentioned. I am in opposition. I appreciate the efforts ..."

Representative Souki rose to a point of order, stating:

"Point of order. There are two colleagues standing up. Shouldn't one be sitting down while the other one is talking?"

Speaker Say: "I was under the impression that Representative Halford was already completed. No?"

Representative Bukoski: "Now we've got three Maui Representatives standing up."

Representative Souki: "Very good."

Speaker Say: "Representative Souki, please be seated. Representative Bukoski, please be seated. I thought Representative Halford summarized his comments."

Representative Halford continued, stating:

"Thank you, Mr. Speaker. I was ending my comments regarding it being a regressive tax. But I wanted to additionally point out that this scheme has a difficult accounting problem. Keeping track of who paid in, who didn't pay in. That mother that I mentioned, on minimum wage. That is enough money to pass the \$10,000 mark on an annual basis, but if she only has that job for 6 months, she would have paid in for 6 months, and somehow needs to figure out how she is going to keep paying in while she is perhaps unemployed. Or if she doesn't pay in, what do you do? That is just one example of a huge set of accounting problems that we have before us to implement this bill.

"This is generic overall. It is a long-term tax for a short term care. Mr. Speaker if we as a Body had such confidence in this bill, we should start the tax policy straight away. This tax doesn't kick in until just immediately after the next election. I see that is problematical. Now, I am done. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. I just wanted to briefly expand on what the Representative from Wailea is sharing in regards to this being a regressive tax that is unfairly imposed across the board. As he mentioned, \$10.00 a month to someone who is earning minimum wage is a lot compared to someone who is earning a six-figure income. In addition, I can see the way it is written with the tax credit included, I can see a situation where someone who can probably afford private care insurance, who qualifies for the \$120 tax credit, will receive the State long-term care benefits basically, for free. As opposed to someone who probably can't afford the \$10 or \$120 a month. Who's actually going to be paying a \$120 a month for the same long-term care benefits that the other person who is getting it for free. I can't see the fairness in that because the person is basically paying nothing for the same State benefit, probably could afford to pay for private insurance already. So I just think although it was well-intended, it is just imposed unfairly. Thank you, Mr. Speaker."

At 9:02 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 9:03 o'clock p.m.

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

"In support. First, I just wanted to respond to some of the concerns that have been raised. The concern about it being a regressive tax. I believe in the example that the previous speaker has given, that if you have someone like that single mother making minimum wage, who can't afford to pay the tax, in the bill, the coverage would just lapse if you don't pay it after a certain amount of time. If you are someone who has only worked minimum wage all your life, then you are probably going to qualify for Medicaid when you need it.

"Some other concerns raised that this is just a special fund without any accountability, that would be subject to being raided, and also subject to being misspent by the caregivers. This is not just a special fund. It is actually run by a Board of Trustees who have to act as fiduciaries for the money and are accountable for its use.

"The measure also calls for audits of the fund to make sure the monies are being spent properly."

Representative Fox rose and stated:

"Mr. Speaker, would the speaker yield to a question?"

At 9:04 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 9:06 o'clock p.m.

Representative Stonebraker rose and stated:

"Point of inquiry. I made my arguments based on the assumption that this was mandatory. It would be taken out of one's paycheck. The present speaker said that if someone didn't pay, then the coverage would lapse. I am wondering if I am understanding the bill correctly. This is not an option to pay or not to pay. Is that correct?"

At 9:07 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 9:08 o'clock p.m.

Representative Stonebraker rose and stated:

"Thank you, Mr. Speaker. I just wanted to make a comment that my question was answered. That payments would be made regardless of one's option to do so. But if you lost your job and you couldn't pay, then your coverage would lapse. So you would pay your money ..."

The Chair addressed Representative Stonebraker, stating:

"Representative Stonebraker, you are out of order. Representative Shimabukuro, would you please summarize and the Chair will call for the question."

Representative Shimabukuro continued, stating:

"Okay, just the last thing. I wanted to respond to was the argument that private insurance is sufficient to take care of this problem. In the Committee Report it states that only 6% of Hawaii residents have long-term care insurance. The reason being is that it is far too expensive to have.

"This represents a good, balanced solution. It exempts the poor and it provides a tax credit for those who can afford to have private insurance. I would highly recommend it for the large gap group that I see every day at my work at Legal Aid. The people that do pay into the Social Security system that aren't poor enough to get Medicaid and aren't rich enough to buy the expensive health insurance plans are not covered by Medicare. Thank you."

The Chair then stated:

"Members, we've had a lot of discussion on this particular issue. Would you like to submit written comments, for or against, to be inserted into the Journal?"

Representative Fox rose and stated:

"Just briefly, Mr. Speaker. I felt my question was left hanging. I just wanted to point out that the Employee Retirement System was run by a separate Board of Trustees and was raided for hundreds of millions of dollars."

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

Representative Ontai's written remarks are as follows:

"This public policy approach to the problem is bad. A lifetime of tax for 365 days of care. How can 365 days be mixed up with "long term?" Clearly, private long term care insurance is superior. It is more expensive choice--the key word here is choice, because it is clearly superior. With private insurance, benefits extend for a lifetime and its cost depends on your age--the only way to be fair. As written, this bill is grossly unfair to young taxpayers. Whereas older taxpayers pay the same tax, they may be able to get the benefits within 5 to 10 years, if they survive long enough to take advantage of the benefits. On the other hand, younger taxpayers are burdened with paying the same tax, for much longer, to get the same, paltry, 365 days of care. Therefore, it should be clear why all of us should vote against this bill. It is "look good/feel good," but bad public policy."

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

"Mr. Speaker, I would like to incorporate the remarks in opposition to this measure, that I think I made on April 8th," and the Chair "so ordered." (By reference only.)

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

"Mr. Speaker, I would like to insert remarks in the Journal, but I would just like to make the observation that I don't see a lot of young people here. There are so many young people out there working that have absolutely no idea of what we're doing in here. They're looking at years and years of paying in to this new tax, and I just don't think its right. Thank you."

The Chair recognized Representative Leong who responded, stating:

"Thank you, Mr. Speaker. Excuse me, I can't talk right now. Thank you."

Representative Arakaki rose to respond, stating:

"Thank you, Mr. Speaker. I just wanted to clear up a misconception. In a case of a young mother with dependent children, if you are below the poverty level, you are exempted from the \$10 charge."

Representative Saiki called for the previous question, stating:

"I call for the question, but I'll ask that Members be permitted to insert written comments."

The Chair responded, stating:

"Before we do that, I will call on Representative Leong."

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

"Thank you. I don't think people realize. I am opposed to it. I don't think you realize if you're a single person, a widow like myself, you don't realize what all of this is. All the funds that are going to add up to. You have to count all of your money and it seems like you don't realize what this is going to take from you."

"I think that this is not a very good bill. I think the private industry would probably help us a lot better. I think that you don't realize all of these expenses that come up, and you think long-term care is just caring for someone who is sick. But you don't know the other intricacies that are involved in it. It takes more than what you'll get at the end of this time. I don't think this was planned and thought through very well, and I know that it is going to be more than you are paying into it. You are not going to get back what you are thinking you are going to get, and it just is a very sorrowful insurance policy to me. I think the private industry should come in and help us with this and give us better ideas."

"Even though you think it is more costly, this is costly and you have to add this all up as you go along. It is going to be an awful, awful lot. Thank you."

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

Representative Caldwell's written remarks are as follows:

"Mr. Speaker, I rise in opposition to this legislation."

"I have struggled long and hard with this legislation over the last four months. I campaigned in part on the issue that we must find a way to provide better long term care for our seniors. I introduced legislation that would have provided tax credits for the purchase of long term care insurance."

"As the richest and most powerful country in the world we have a duty to ensure that our seniors live out their golden years well cared for. Whenever possible this should be in their homes, where costs are less and where they are surrounded by the things they love most in life."

"As a society we have an obligation to make old age more comfortable for those who cannot afford private health care insurance. Just as we have an obligation to educate our children and make public education better."

"Hawaii's population is rapidly aging. Our multi-generation households are struggling to take care of parents and grandparents."

"I know that the Legislature and experts in elder care have worked on this issue for countless hours since at least 1988. Issues have been debated and debated again. Proposals and counter proposals have been submitted, re-written and/or rejected. At some point the debating and the negotiating has to stop."

"And the first step has to begin. I initially considered this legislation as a first step. That it may not be perfect. But we have to begin somewhere."

"What I like most about this legislation is that it will help care-givers in providing care their parents and grand parents need and deserve. However, I have several major concerns about this legislation, which I could not resolve."

"The first involves my concern that this new fund will be raided by future legislatures. It is projected that the tax revenues from this legislation will grow to \$1.3 billion in ten years! This is a lot of money. And it is an attractive target to raid in hard times when there are large budget shortfalls. The Legislature has raided the Employees Retirement System in the past to find additional revenue to balance the budget. I could get no assurance that this would not happen to the long term care fund. If this were to happen, then this fund truly is nothing more than a new tax on our citizens to be used as government sees fit."

"My second concern is that the \$10 a month growing to \$20 a month tax is a flat tax. This makes it a regressive tax. This means that no matter how much you make, whether it is \$35,000 or \$100,000, the tax is the same. So those who make less are actually carrying more of the burden on this tax. This just is not fair. Both our state and federal tax systems are based on a progressive tax, meaning that the more you make the more tax you pay. These tax payment systems were designed this way to be fare to all tax payers and to make sure that one segment of our society is not made to carry a bigger comparative tax burden."

"My third concern is that \$70 a day simply is not enough. I know it is a start and I am sure it will help the caregiver. But with the cost of daily care estimated to be approximately \$155, more than \$70 a day is needed to really make a difference to the caregiver and our seniors."

"Fourth and finally, I am concerned that the \$70 a day is good for only 365 days. While the \$70 can be taken over two years, most seniors will need care for a much longer period than this."

"For these reasons I am voting against this legislation. It is my hope that should this legislation be enacted we will be able to come back next year and address the four concerns I have listed above and make this legislation better."

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

Representative Pendleton's written remarks are as follows:

"Mr. Speaker, I rise in opposition to this measure. This stated opposition was articulated previously regarding the House companion measure."

"That measure was SCR 852, HB 1616, HD 1, which I believe was wrongheaded for the very same reasons. I hereby

incorporate those previous comments but also add a few additional observations on this Senate bill.

"Mr. Speaker, I believe that long-term care is a serious problem which must be addressed. I believe that the introducers of this measure are sincere. I disagree, however, with the notion that the only way to approach this problem is this way.

"So to those who say, 'Vote for this or you vote against the elderly,' hogwash. That's false. That's mistaken. That's ridiculous.

"This is one possible solution. It certainly isn't the only one. And in my opinion it is not the best one.

"This addresses the problem of lack of competition in the private long term care insurance market with a governmental monopoly. So while one area could be improved with a little more options, more competition, the response to that is to create a government solution. This is to be the answer.

"Two wrongs don't make a right. And so I disagree that we need a bureaucracy and a new tax to solve this problem.

"Why is it that every solution must be a governmental one? Why is it that when we want to find a solution it must involve raising taxes, hiring civil servants, and growing our government?

"It does not follow that a solution must be a governmental solution. That is the most common non sequitur we have here in this building. Pardon the Latin, but that phrase which translates into English as "does not follow" characterizes what we have here.

"I want to solve this problem, but I want to do so in a way very different from the approach of this measure. Hence my opposition.

"This is a tax. This is a governmental approach.

"With this bill we say, private insurance is too inconvenient. People have not purchased such long term insurance either because it is too expensive or they do not see it as a priority.

"From that we say, 'Let us make it mandatory, even if you already have provided for yourself, and we say let's have it so the government runs the program.'

"How do you get to that from the problem? I don't see it.

"Let me discuss a different way. Let me discuss long-term care for retired, elderly people which would not result in a tax increase.

"I have read the research of credible and sophisticated think tanks such as the Heritage Foundation. I find their free market approach preferable to the statist approach.

"The current system has a vast majority of payments coming from the public in one way or another. One way is through Medicaid directly for people who are 'spent down' to Medicaid levels of coverage. The other way is through Medicare contributions for those people who are on the way to needing long-term care, or who are getting a significant amount of long-term care through the Medicare program.

"Medicare is supposed to be focused on acute care, but a lot of the growth in recent years has been in home health and skilled nursing services.

"Less than one out of five of these beneficiaries are privately financed, and only a small part of that comes from private long-term care insurance premiums.

"What I support, Mr. Speaker, is more patient-centered, choice-based care.

"We need not more cookie cutter, one-size-fits-all approaches. We need more opportunities and more incentives for people to purchase private long-term care insurance options.

"That's why I supported and support the long term care tax credit we voted on a moment ago.

"I think we need to create more incentives to purchase long term care insurance, we need to couple that with catastrophic health care policies and medical savings accounts.

"This measure will provide too little too late at too great a cost in terms of the new tax.

"In closing, even under the best case scenario, you will only get about \$75 per day and that will be exhausted by the end of a year. After paying so much for so many years, that's all you'll ever get! Ask any place that offers residential long term care services whether this is enough. They'll tell you that it is not. So even under the best case scenario – assuming they have this right by the actuary – it isn't sufficient. We can and must do better than this.

"So for these reasons I oppose the measure. And assuming it passes, I urge the Governor to veto the measure."

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

Representative Finnegan's written remarks are as follows:

"Mr. Speaker, I rise in opposition to this C.C.R. 111, S.B 1088, S.D. 2, H.D. 2, C.D. 1. It pains me to vote 'no' on this bill. I know, as we all do, the importance of the State taking some action in preparation for the growing need for long term care.

"This program is geared to address the 'Baby Boomer' generation that will be turning 65 in about 10 years. It is a huge program and a huge commitment by the State. There is one thing I have learned so far in my first session as a legislator: once a program like this is set up and something like this is given to people, it is almost impossible to take it away later. If we set up this program now, we will be setting it up for good. Before turning to such a large, permanent program, with its increases in taxes and the size of government, I would like to see us consider other alternatives, such as tax credits, education, and Medicaid waivers.

"Nationwide, organizations are now recognizing that now is the time to educate the baby boomer generation about long term care costs and long term care insurance. Many baby boomers are now caring for or facing the challenges of providing long term care for their parents. They are becoming aware of the challenges of long term care. Now is a teachable moment on the long term care issue, an opportunity to educate the baby boomers and the broader public as a whole about the expenses of long term care and the need for long term care insurance. We should take advantage of it.

"I would like to see us pursue, first, a combination tax credits and public education programs that educate the public about the

importance of long term care insurance and provide financial incentives to purchase long term care insurance early in life. Second, I believe we need to explore seeking a Medicaid waiver similar to the Arkansas IndependentChoices Program. This program gives adult recipients control over the money used to purchase their personal care. They can remain at home and purchase services tailored to their needs. Recipients may also hire friends, relatives, and neighbors to assist them with personal care.

"There are two benefits of establishing such a program through a Medicaid waiver. One, we will be helping the truly needy and not just everyone, including those who can afford long term care. Two, the federal government provides a match of 58% for our 42%, so that we will not bear the costs of this program alone. A Medicaid waiver program like IndependentChoices can buy us time to more fully assess our options and our needs. It would enable us to avoid tax increases now and leave us free to pursue them at a later time when we might be better able to afford them and get more out of them.

"I know \$10 a month does not sound like much, but remember that the long term care tax imposed in this bill will be increasing rapidly. Also keep in mind that our residents of the City and County of Honolulu will also be facing fee increases and property tax rate increases. What do all of these increases combined mean for working families and elderly that struggle from month to month, paycheck to paycheck? They mean tougher times, and more struggle to make ends meet.

"I can appreciate the good intent behind this proposal, but it is not the right policy for this time. We need to explore education and incentives for purchasing long term care insurance and what can be done under Medicaid before we create a new tax to pay for a new benefit and a new bureaucracy.

"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. 1088, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LONG-TERM CARE," passed Final Reading by a vote of 27 ayes to 24 noes, with Representatives Blundell, Bukoski, Caldwell, Ching, Evans, Finnegan, Fox, Halford, Jernigan, Karamatsu, Leong, Marumoto, Meyer, Mindo, Moses, Nakasone, Nishimoto, Ontai, Pendleton, Sonson, Stonebraker, Tamayo, Thielen and Waters voting no.

The Chair directed the Clerk to note that S.B. No. 1088, SD 2, HD 2, CD 1, passed Final Reading at 9:14 o'clock p.m.

At this time, the Chair stated:

"Madame Clerk, can you record the votes for the Members of this House and the audience who are here this evening, as far as the bill, as amended passing Final Reading."

The Clerk announced:

"Mr. Speaker, we have tallied 24 noes, 27 ayes, and all Members are present here on the floor."

Conf. Com. Rep. No. 118 and S.B. No. 377, SD 1, HD 2, CD 1:

By unanimous consent, the report of the Committee and S.B. No. 377, SD 1, HD 2, CD 1, were deferred one legislative day.

Conf. Com. Rep. No. 125 and S.B. No. 17, SD 1, HD 1, CD 1:

Representative Saiki moved that the report of the Committee and S.B. No. 17, SD 1, HD 1, CD 1, be recommitted to the Committee on Conference, seconded by Representative Lee.

Representative Pendleton rose to speak in support of the motion, stating:

"Mr. Speaker, I rise in support of the motion. Mr. Speaker, I want to commend the leadership of this particular Legislative Body for recognizing that while we are committed to kindergarten, while we are committed to early education, that this vehicle the manner in which we tried to accommodate our goal was less than perfect. And we can revisit early childhood education in the future to find the best way to do that. So I strongly support this motion.

"Also would like to reference my previous remarks on an earlier vote regarding this measure, Mr. Speaker."

The Chair responded, stating:

"Those particular comments cannot be inserted since we are talking about the motion for recommitment."

Representative Pendleton: "Understood. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee and S.B. No. 17, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," were recommitted to the Committee on Conference with Representative Meyer being excused.

At 9:16 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 9:17 o'clock p.m.

SUPPLEMENTAL CALENDAR #1

REPORTS OF STANDING COMMITTEES

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 1677) recommending that S.C.R. No. 13, SD 1, be Adopted.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 13, SD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE ESTABLISHMENT OF A STATEWIDE INTERAGENCY TASK FORCE TO DEVELOP A PLAN FOR COORDINATION AND EXPANSION OF SERVICES PROVIDED THROUGH HEALTHY START TO YOUNG CHILDREN AND THEIR FAMILIES," was Adopted and with Representative B. Oshiro being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 1678) recommending that S.C.R. No. 45, SD 1, be Adopted.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 45, SD 1, entitled: "SENATE CONCURRENT RESOLUTION ENDORSING THE GOOD BEGINNINGS INTERDEPARTMENTAL COUNCIL'S SCHOOL READINESS TASK FORCE'S HAWAII STATE

PRESCHOOL CONTENT STANDARDS," was Adopted and with Representative B. Oshiro being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 1679) recommending that S.C.R. No. 49, SD 1, be Adopted.

Representative Saiki moved that the report of the Committee be adopted and that S.C.R. No. 49, SD 1, be Adopted, seconded by Representative Lee.

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

"Thank you, Mr. Speaker. I am speaking against Standing Committee Report 1679, Office of International Affairs. Mr. Speaker, I remember when we had an Office of International Affairs. It seems duplicative of functions that were being performed elsewhere in the government. Particularly DBEDT. I was in DBEDT at the time, and when we came to the Administration of Governor Cayetano, he quite properly abolished the Office of International Affairs. I see no rationale in these tough times for recreating an office. No initiative or interest on the part of the Governor, and doing it. This resolution purports to expand the bureaucracy at a time when we need to be going to the other direction. I would recommend that we vote this down."

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

"Mr. Speaker, thank you very much. I rise in strong support for Standing Committee Report No. 1679, S.C.R. No. 49, SD 1. Mr. Speaker, first of all, I'd like to thank you for initiating a new Committee on International Affairs and giving me the opportunity to be Chair. I've had a lifelong interest in international affairs and it is one of the main reasons that I fell in love with Hawaii when I came here 56 years ago as a young schoolteacher.

"Our location in the middle of the Pacific Ocean, and our multi-cultural society indebted in the spirit of our host culture, has made us today the leading area in the United States to provide the increasingly important link between the Western and Eastern countries and cultures. As we seek to diversify our economy, it behooves us to capitalize on these assets and to make us the 'Geneva of the Pacific' as envisioned by Governor Burns and to obtain the recognition of Hawaii that King Kalakaua did in his trip around the globe. The first reigning monarch to do so.

"When I started my term as Chair, I had hoped to be able to work with the Governor's Office of International Affairs. But this Administration has not yet seen the importance of this position and has not filled that position which was held for many years by Brenda Foster. Therefore we have been the only official government body dealing solely with international affairs. This resolution was developed with the help of the Legislative Reference Bureau, and we have been assured that they are willing and anxious to do the study at no additional cost. We've been able to help many international activities, such as passing resolutions for sister states with Ilocos Norte in the Philippines, and assisting Chinese television officials to get proper documentation to come and make a documentary on Hawaii. Other activities that we've been involved in are promoting the export of Puna papayas to Korea. Encouraging the World Health Organization to remit Taiwan, and assisting the Hawaii youth who will represent Hawaii and the United States in the second World Congress of Youth in the Kingdom of Morocco. However we're in session only 60 days, and these activities need official status through an official governmental agency.

"DBEDT has taken on some of these responsibilities. They have a narrow economic focus of the benefit to Hawaii. The benefit can also be cultural, educational, and improve our health systems. By the way, I learned right from the very beginning that actually our Health Department does participate in international activities because our Health Department monitors the care homes and the foster homes in Samoa, Saipan, and Guam. So we are already involved in these kind of health activities. This study will help the Legislature next year to make an intelligent decision regarding our role as in international leader. I urge my colleagues to support S.C.R. No. 49, which is the same as this House passed in H.C.R. No. 47. Unfortunately the Senate would not hear H.C.R. No. 47 because they wanted their bill, S.C.R. No. 49 passed. So I urge everybody please to support this bill, and let us get this study at no cost. Thank you."

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

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

"Thank you, Mr. Speaker. I'd like to speak in support of this. Actually I wanted to be able to commend the Chair of the International Affairs Committee. We talked about being a visionary. I think she has a vision that is global and I think it would be extremely myopic to let the lack of money determine whether we can reach out to the rest of the world. We are a global community and I think Hawaii should be part of that and play a role in it. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. Briefly in opposition. I believe this is a function of the Executive branch. It is not up to us. And also I am looking at the resolution and it calls upon the Legislative Reference Bureau to try to find a place in government for this office or this body which is fairly independent. I guess that would mean the Judiciary because I can't see where else you would put it where it wouldn't be influenced by you, the Legislature or the Executive branch."

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

"Mr. Speaker, I stand in strong support of the resolution. I'd just like to say that of all the states in the union, I think it is most appropriate for us to have an Office of International Relations. As the wife of a former foreign service officer, I've lived abroad and I know how important it is to interact with people, especially in the countries of the near and far east, for us in Hawaii. Thank you very much."

The Chair then addressed Representative Fox, stating:

"Representative Fox, you are out of proper decorum."

Representative Fox responded, stating:

"You are right, Mr. Speaker."

The Chair responded, stating:

"I hope you would refrain from talking while another Member of this House is speaking."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.C.R. No. 49, SD 1, entitled: "SENATE CONCURRENT RESOLUTION

REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO CONDUCT A STUDY CONCERNING THE ESTABLISHMENT OF AN OFFICE OF INTERNATIONAL AFFAIRS IN STATE GOVERNMENT," was Adopted, with Representatives Fox, Moses and Ontai voting no, and with Representative B. Oshiro being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 1680) recommending that S.C.R. No. 54, be Adopted.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 54, entitled: "SENATE CONCURRENT RESOLUTION CREATING A WORKING GROUP OF REPRESENTATIVES FROM HAWAIIAN ORGANIZATIONS, THE DEPARTMENT OF HAWAIIAN HOME LANDS, AND THE DEPARTMENT OF HEALTH TO FORM A COALITION TO PROVIDE BETTER ACCESS TO STATE VITAL STATISTICS RECORDS," was Adopted and with Representative B. Oshiro being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 1681) recommending that S.C.R. No. 76, SD 1, be Adopted.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 76, SD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE HAWAII SMALL BUSINESS REGULATORY REVIEW BOARD TO DEVELOP AND FORMULATE A SMALL BUSINESS BILL OF RIGHTS FOR CONSIDERATION DURING THE 2004 LEGISLATURE," was Adopted and with Representative B. Oshiro being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 1682) recommending that S.C.R. No. 98, SD 1, be Adopted.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 98, SD 1, entitled: "SENATE CONCURRENT RESOLUTION CONVENING AN ECONOMIC SUMMIT," was Adopted and with Representative B. Oshiro being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 1683) recommending that S.C.R. No. 155, SD 1, be Adopted.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 155, SD 1, entitled: "SENATE CONCURRENT RESOLUTION URGING ALTERNATIVE DISPUTE RESOLUTION TO COMPLETE THE ASSESSMENT AND SETTLEMENT OF NATIVE HAWAIIAN INDIVIDUAL TRUST CLAIMS," was Adopted, with Representative B. Oshiro being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 1684) recommending that S.C.R. No. 196, SD 1, be Adopted.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 196, SD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM TO UPDATE ITS REPORT ON HAWAII'S FILM INDUSTRY, "A ROAD MAP: THE FILM INDUSTRY'S POTENTIAL AND HOW

TO GET THERE"," was Adopted, with Representative B. Oshiro being excused.

Representatives Morita and Kanoho, for the Committee on Energy and Environmental Protection and the Committee on Water, Land Use, and Hawaiian Affairs presented a report (Stand. Com. Rep. No. 1685) recommending that S.C.R. No. 153, SD 1, be Adopted.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 153, SD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING AN INVESTIGATION ON THE STATE AND COUNTIES' LAND USE POLICIES WITH REGARD TO SOLID WASTE MANAGEMENT PROGRAMS," was Adopted, with Representative B. Oshiro being excused.

REPORTS OF CONFERENCE COMMITTEE

Representative M. Oshiro, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 687, SD 1, HD 1, presented a report (Conf. Com. Rep. No. 145) recommending that S.B. No. 687, SD 1, HD 1, 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. 145 and S.B. No. 687, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LEAVES OF ABSENCE," was deferred for a period of 48 hours.

Representatives M. Oshiro and Takamine, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 768, SD 1, HD 2, presented a report (Conf. Com. Rep. No. 146) recommending that S.B. No. 768, SD 1, HD 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. 146 and S.B. No. 768, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO COLLECTIVE BARGAINING," was deferred for a period of 48 hours.

SUSPENSION OF RULES

On motion by Representative Saiki, seconded by Representative Lee and carried, the rules were suspended for the purpose of reconsidering action previously taken in disagreeing to amendments proposed by the Senate to certain House Bills (Representative B. Oshiro was excused.)

RECONSIDERATION OF ACTION

Representative Saiki moved that the House reconsider its action previously taken in disagreeing to amendments proposed by the Senate and gave notice of intent to agree to such amendments for the following House bill, seconded by Representative Lee, and carried:

H.B. No. 851 HD 1 (SD 1)

FINAL READING

The following bills were taken from the Clerk's desk and the following action taken:

Representative Saiki moved to agree to the amendments proposed by the Senate to the following bills, seconded by Representative Lee and carried.

H.B. 75, HD 2, (SD 1);
H.B. 127, HD 1, (SD 1);
H.B. 139, HD 1, (SD 1);
H.B. 377, HD 1, (SD 1);
H.B. 384, HD 1, (SD 1);
H.B. 401, HD 1, (SD 1);
H.B. 1155, HD 1, (SD 1);
H.B. 1160, HD 1, (SD 1);
H.B. 1161, HD 1, (SD 1);
H.B. 1163, (SD 1);
H.B. 1212, HD 1, (SD 1);
H.B. 1328, HD 1, (SD 1); and
H.B. 1594, HD 1, (SD 1).

The Chair addressed the Clerk who announced that the record of vote forms for the aforementioned bill had been received.

H.B. No. 75, HD 2, 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. 75, HD 2, on the following showing of Ayes and Noes:

Ayes, 4 (Hiraki, Wakai, Herkes and Marumoto). Noes, none. Excused, none.

On motion by Representative Saiki, seconded by Representative Lee and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 75, HD 2 and H.B. No. 75, HD 2, SD 1, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUMS," passed Final Reading by a vote of 51 ayes.

H.B. No. 127, 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. 127, HD 1, on the following showing of Ayes and Noes:

Ayes, 3 (Kahikina, Shimabukuro and Hale). Noes, none. Excused, 1 (Stonebraker).

On motion by Representative Saiki, seconded by Representative Lee and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 127, HD 1 and H.B. No. 127, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO GENERAL ASSISTANCE," passed Final Reading by a vote of 51 ayes.

H.B. No. 139, 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. 139, HD 1, on the following showing of Ayes and Noes:

Ayes, 3 (Hiraki, Caldwell and Herkes). Noes, none. Excused, 1 (Halford).

Representative Saiki moved that H.B. 139, HD 1, SD 1 pass Final Reading, seconded by Representative Lee.

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

"Thank you, Mr. Speaker. This is a bill imposed to agree to the Senate version of this bill. This is a bill that has received much discussion over the Session. It is a very unfortunate bill which would award a commission to people who sell rental cars. Through the use of the commission, encourage the people who are renting cars to customers to press them to get insurance they don't need. It was very wise of a past Legislature to pass out a law that took away the commission. It's an unfortunate step backwards to be encouraging people to hock insurance that people don't need. Particularly, because one of out of every four users of a rental car is a fellow Hawaii resident, and many of them will not realize that their current insurance covers their use of a rental car and will buy unnecessary insurance because we pass this measure. Thank you, Mr. Speaker."

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

"Yes, I rise in support of this measure and I have comments to insert in the Journal, but, just really briefly, Mr. Speaker. This is a compromise measure and the language was actually a result of work done between the Lingle Administration and the rental car industry. And both the Lingle Administration and the rental car industry are in strong support of this measure, so I'd like to ask the members to please support this measure, because it is fair to both the business and consumers."

Representative Hiraki's written remarks are as follows:

"Mr. Speaker, I rise in support of House Bill 139, HD1, SD1, Relating to the Motor Vehicle Rental Industry. This bill allows for the payment and receipt of commissions that may be related to the sale of collision damage waivers for rental vehicles. This bill would still prohibit direct commissions based solely on the sale of collision damage waivers.

"Many segments of the tourism industry pay commissions, and evaluate or reward their employees based on the employees' sales of products and services. Currently however, the motor rental vehicle industry is an exception; it is singled out by a law barring all commissions associated in any way with the sale of collision damage waivers.

"Mr. Speaker, the Legislature initiated the bar on payment of commissions for the sale of rental vehicle collision damage waivers because of concerns about consumer confusion and the potential for abuse relating to the sale of collision damage waivers. However, consumers should be provided ample protection against abuse by the consumer protections provided under the disclosure law. Furthermore, the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs has communicated that they are agreeable to this draft of the bill.

"Currently, Hawaii is the only state that does not allow the payment of commissions on the sale of collision damage waivers for motor vehicle rental transactions. Colleagues, please join me in supporting this effort to accommodate the legitimate interests of business by limiting the law to prohibit only commissions based solely on the sale of collision damage waivers."

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

"I'd like to register a no vote on the same measure."

The Chair responded, stating:

"I believe the vote will be recorded by the Minority Floor Leader."

The motion was put to vote by the Chair and carried and the House agreed to the amendments proposed by the Senate to H.B. No. 139, HD 1 and H.B. No. 139, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE MOTOR VEHICLE RENTAL INDUSTRY," passed Final Reading by a vote of 37 ayes to 14 noes, with Representatives Blundell, Ching, Finnegan, Fox, Halford, Kaho'ohalahala, Marumoto, Meyer, Morita, Moses, Pendleton, Stonebraker, Takumi and Thielen voting no.

H.B. No. 377, 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. 377, HD 1, on the following showing of Ayes and Noes:

Ayes, 4 (Arakaki, Nishimoto, Hale and Finnegan). Noes, none. Excused, none.

On motion by Representative Saiki, seconded by Representative Lee and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 377, HD 1 and H.B. No. 377, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR NOT-FOR-PROFIT CORPORATIONS THAT PROVIDE HEALTH CARE FACILITIES," passed Final Reading by a vote of 51 ayes.

H.B. No. 384, 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. 384, HD 1, on the following showing of Ayes and Noes:

Ayes, 4 (Arakaki, Nishimoto, Hale and Finnegan). Noes, none. Excused, none.

Representative Saiki moved that H.B. 384, HD 1, SD 1 pass Final Reading, seconded by Representative Lee.

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

"Mr. Speaker, I would like to reveal a possible conflict. I am an employee of Wahiawa General Hospital," and the Chair ruled, "no conflict."

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

"Mr. Speaker, I am a trustee on the Board of Directors of Wahiawa General Hospital," and the Chair ruled, "no conflict."

The motion was put to vote by the Chair and carried and the House agreed to the amendments proposed by the Senate to H.B. No. 384, HD 1 and H.B. No. 384, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR NOT-FOR-PROFIT CORPORATIONS THAT PROVIDE HEALTH CARE FACILITIES," passed Final Reading by a vote of 51 ayes.

H.B. No. 401, 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. 401, HD 1, on the following showing of Ayes and Noes:

Ayes, 3 (Hamakawa, B. Oshiro and Marumoto). Noes, none. Excused, 1 (Caldwell).

Representative Saiki moved that H.B. 401, HD 1, SD 1 pass Final Reading, seconded by Representative Lee.

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

"Thank you, Mr. Speaker. In opposition. This is a bill that will protect the current holder of Chief Elections Officer, saying that the person can be removed only for good cause. Right now, as the person serves at the discretion of a bi-partisan Commission, made up of members of both parties. This is a very, sort of interesting special interest legislation. I really have to ask, since we do have confidence in the Committee ..."

Representative Saiki rose to a point of order, stating:

"Point of order, Mr. Speaker. This is not appropriate to refer to legislation as special interest legislation."

The Chair responded, stating:

"Representative Fox, could you please confine your remarks, please."

Representative Fox responded, stating:

There is nothing wrong with saying special interest legislation. It's a term of art. It has nothing to do with the personalities and motives with the people involved. It's a piece of legislation that is directed at protecting one specific individual. However you want to phrase it, I have to ask why we would take this job away from the Commission, that we ourselves help appoint."

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

"Thank you, the Minority Leader expressed a lot of my sentiments. I am also in opposition to this measure. Not really the section that would move the Elections Office to DAGS. The good Chairman from Judiciary explained why they cannot reside in the Office of the Lieutenant Governor. So, this would merely a paper transfer.

"I do object to the portion to removing the Elections Officer only for a good cause. This would guarantee the person who now occupies that job, probably a job for life. He probably won't do anything so egregious that he would lose the job. The Elections Appointment and Review Panel must be signed and originally established to hire this person and we might have given them an additional duty or two, but essentially this doesn't give them much work. So, that's my objection."

The motion was put to vote by the Chair and carried and the House agreed to the amendments proposed by the Senate to H.B. No. 401, HD 1 and H.B. No. 401, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTIONS," passed Final Reading by a vote of 36 ayes to 15 noes, with Representatives Blundell, Bukoski, Ching, Finnegan, Fox, Halford, Jernigan, Leong, Marumoto, Meyer, Moses, Ontai, Pendleton, Stonebraker and Thielen voting no.

H.B. No. 1155, 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. 1155, HD 1, on the following showing of Ayes and Noes:

Ayes, 3 (Hiraki, B. Oshiro and Magaoay). Noes, none. Excused, 1 (Stonebraker).

On motion by Representative Saiki, seconded by Representative Lee and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 1155, HD 1 and H.B. No. 1155, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO UNCLAIMED PROPERTY," passed Final Reading by a vote of 51 ayes.

H.B. No. 1160, 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. 1160, HD 1, on the following showing of Ayes and Noes:

Ayes, 3 (Hiraki, Herkes and Marumoto). Noes, none. Excused, 1 (Chang).

On motion by Representative Saiki, seconded by Representative Lee and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 1160, HD 1 and H.B. No. 1160, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE EXAMINATION FOR LICENSURE AS A CERTIFIED PUBLIC ACCOUNTANT," passed Final Reading by a vote of 51 ayes.

H.B. No. 1161, 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. 1161, HD 1, on the following showing of Ayes and Noes:

Ayes, 3 (Hiraki, Chang and Herkes). Noes, none. Excused, 1 (Stonebraker).

On motion by Representative Saiki, seconded by Representative Lee and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 1161, HD 1 and H.B. No. 1161, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO PSYCHOLOGIST LICENSING REQUIREMENTS," passed Final Reading by a vote of 51 ayes.

H.B. No. 1163, 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. 1163, on the following showing of Ayes and Noes:

Ayes, 3 (Hiraki, Magaoay and Herkes). Noes, none. Excused, 1 (Stonebraker).

On motion by Representative Saiki, seconded by Representative Lee and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 1163, and H.B. No. 1163, SD 1, entitled: "A BILL FOR AN ACT RELATING TO DENTAL INSURANCE," passed Final Reading by a vote of 51 ayes.

H.B. No. 1212, 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. 1212, HD 1, on the following showing of Ayes and Noes:

Ayes, 3 (Kanohe, Takamine and Magaoay). Noes, none. Excused, 1 (Halford).

On motion by Representative Saiki, seconded by Representative Lee and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 1212, HD 1 and H.B. No. 1212, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO LAND EXCHANGES," passed Final Reading by a vote of 51 ayes.

H.B. No. 1328, 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. 1328, HD 1, on the following showing of Ayes and Noes:

Ayes, 4 (Hiraki, Morita, Herkes and Thielen). Noes, none. Excused, none.

Representative Saiki moved that H.B. 1328, HD 1, SD 1 be pass Final Reading, seconded by Representative Lee.

Representative Thielen rose in support of 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:

"I stand in strong support of House Bill 1328. For years we have attempted to convince the Consumer Advocate of the long-term cost benefits of renewable energy, and have been met with stone-wall resistance. Yet, from both an economic and environmental standpoint, it is undoubtedly in Hawai'i's best interest to embrace renewable resources as essential components of our energy industry. Such resources are primary factors for sustainability. *Sustainability* effectively translates as decreased power bills, increased jobs, diversified economy, protected environment, and ensured future. The Consumer Advocate must fulfill her or his charge to "represent the interests of the consumers." HB 1328 mandates that renewable energy resources be incorporated in its considerations, assuring that she or he begin *advocating* for sustainability.

The motion was put to vote by the Chair and carried and the House agreed to the amendments proposed by the Senate to H.B. No. 1328, HD 1 and H.B. No. 1328, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE CONSUMER ADVOCATE," passed Final Reading by a vote of 51 ayes.

H.B. No. 1594, 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. 1594, HD 1, on the following showing of Ayes and Noes:

Ayes, 3 (Hiraki, Herkes and Marumoto). Noes, none. Excused, 1 (Ito).

On motion by Representative Saiki, seconded by Representative Lee and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 1594, HD 1 and H.B. No. 1594, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO NONPROFIT CORPORATIONS," passed Final Reading by a vote of 51 ayes.

The Chair directed the Clerk to note that H.B. Nos.: 75, HD 2, SD 1; 127, HD 1, SD 1; 139, HD 1, SD 1; 377, HD 1, SD 1; 384, HD 1, SD 1; 401, HD 1, SD 1; 1155, HD 1, SD 1; 1160, HD 1, SD 1; 1161, HD 1, SD 1; 1163, SD 1; 1212, HD 1, SD 1; 1328, HD 1, SD 1; and 1594, HD 1, SD 1 had passed Final Reading at 9:40 o'clock p.m.

At 9:40 o'clock p.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 9:46 o'clock p.m.

ANNOUNCEMENTS

Representative Saiki: "I have a couple of birthday announcements. The first one is belated. I believe it was last Wednesday or Thursday. Happy birthday to Representative Marcus Oshiro. And today's birthday Representative is Representative Ken Ito. Happy Birthday."

Representative Halford: "Thank you, Mr. Speaker. I wanted to point out that this evening, I was attributed to voting no on a bill on which I voted yes. And in our system, by doing nothing, you vote yes. And if you want to vote no, you take an action to actively vote no. I did not cast that no vote."

"Mr. Speaker, I want to point out that our system, American style democracy is founded on voting. That's a critical, essential function, and we should be careful not to be aberrant with that. I want to also point out Mr. Speaker, that this isn't really my vote. This vote really belongs to the 20 some thousand people in my district. And although they wouldn't all agree with which ever way I voted, they do have a right to know how their Representative voted. In this case, when they look to the record, they will be misled. I want to point out they have a right to know. Thank you."

HOUSE COMMUNICATION

House Communication dated April 29, 2003, from Patricia Mau Shimizu, Chief Clerk of the House of Representatives to the Honorable President and Members of the Senate of the State of Hawaii, informing the Senate that the House reconsidered its action taken in disagreeing to the amendments made by the Senate to House Bill No. 851 HD 1, SD 1 on April 10, 2003.

House Communication dated April 29, 2003, from Patricia Mau Shimizu, Chief Clerk of the House of Representatives to the Honorable President and Members of the Senate of the State of Hawaii, informing the Senate that the House has agreed to the amendments made by the Senate on March 27, 2003 and has this day passed on Final Reading House Bill No. 401 HD 1, SD 1.

House Communication dated April 29, 2003, from Patricia Mau Shimizu, Chief Clerk of the House of Representatives to the Honorable President and Members of the Senate of the State of Hawaii, informing the Senate that the House has agreed to the amendments made by the Senate on April 3, 2003 and has this day passed on Final Reading House Bill No. 1161 SD 1.

House Communication dated April 29, 2003, from Patricia Mau Shimizu, Chief Clerk of the House of Representatives to the Honorable President and Members of the Senate of the State of Hawaii, informing the Senate that the House has agreed to the amendments made by the Senate on April 8, 2003 and has this day passed on Final Reading the following House Bills:

H.B. No. 75 HD 2 SD 1	H.B. No. 1160 HD 1 SD 1
H.B. No. 127 HD 1 SD 1	H.B. No. 1163 SD 1
H.B. No. 139 HD 1 SD 1	H.B. No. 1212 HD 1 SD 1
H.B. No. 377 HD 1 SD 1	H.B. No. 1328 HD 1 SD 1
H.B. No. 384 HD 1 SD 1	H.B. No. 1594 HD 1 SD 1
H.B. No. 1155 HD 1 SD 1	

House Communication dated April 29, 2003, from Patricia Mau Shimizu, Chief Clerk of the House of Representatives to the Honorable President and Members of the Senate of the State of Hawaii, informing the Senate that the following bills have this day passed Final Reading in the House of Representatives, Twenty-Second Legislature of the State of Hawaii, Regular Session of 2003.

H.B. No. 10, HD 2, SD 1, CD 1
 H.B. No. 29, HD 1, SD 1, CD 1
 H.B. No. 32, HD 2, SD 2, CD 1
 H.B. No. 130, HD 1, SD 2, CD 1
 H.B. No. 133, HD 1, SD 3, CD 1
 H.B. No. 135, HD 1, SD 1, CD 1
 H.B. No. 200, HD 1, SD 1, CD 1
 H.B. No. 281, HD 1, SD 2, CD 1
 H.B. No. 282, HD 2, SD 1, CD 1
 H.B. No. 287, HD 3, SD 2, CD 1
 H.B. No. 289, HD 2, SD 2, CD 1
 H.B. No. 290, HD 2, SD 1, CD 1
 H.B. No. 293, HD 1, SD 2, CD 1
 H.B. No. 297, HD 2, SD 2, CD 1
 H.B. No. 298, HD 2, SD 2, CD 1
 H.B. No. 317, HD 2, SD 2, CD 1
 H.B. No. 320, HD 2, SD 1, CD 1
 H.B. No. 324, HD 1, SD 1, CD 1
 H.B. No. 373, HD 2, SD 1, CD 1
 H.B. No. 422, HD 2, SD 2, CD 1
 H.B. No. 426, HD 1, SD 2, CD 1
 H.B. No. 507, HD 3, SD 1, CD 1
 H.B. No. 531, SD 1, CD 1
 H.B. No. 562, SD 1, CD 1
 H.B. No. 564, SD 1, CD 1
 H.B. No. 595, HD 1, SD 1, CD 1
 H.B. No. 638, HD 1, SD 2, CD 1
 H.B. No. 640, HD 1, SD 2, CD 1
 H.B. No. 736, HD 1, SD 2, CD 1
 H.B. No. 807, HD 2, SD 2, CD 1
 H.B. No. 808, HD 1, SD 2, CD 1
 H.B. No. 914, HD 2, SD 1, CD 1
 H.B. No. 968, HD 1, SD 1, CD 1
 H.B. No. 980, HD 1, SD 1, CD 1
 H.B. No. 1003, HD 1, SD 2, CD 1
 H.B. No. 1010, HD 1, SD 2, CD 1
 H.B. No. 1111, HD 2, SD 2, CD 1
 H.B. No. 1154, HD 1, SD 2, CD 1
 H.B. No. 1157, SD 2, CD 1
 H.B. No. 1164, HD 1, SD 1, CD 1
 H.B. No. 1165, HD 2, SD 1, CD 1
 H.B. No. 1175, HD 2, SD 1, CD 1
 H.B. No. 1214, HD 2, SD 2, CD 1
 H.B. No. 1217, HD 1, SD 1, CD 1
 H.B. No. 1230, HD 1, SD 2, CD 1
 H.B. No. 1255, SD 2, CD 1
 H.B. No. 1285, HD 1, SD 1, CD 1
 H.B. No. 1300, HD 2, SD 2, CD 1

H.B. No. 1303, SD 1, CD 1
 H.B. No. 1361, HD 2, SD 1, CD 1
 H.B. No. 1362, SD 1, CD 1
 H.B. No. 1456, HD 1, SD 1, CD 1
 H.B. No. 1465, HD 2, SD 2, CD 1
 H.B. No. 1509, HD 2, SD 2, CD 1
 H.B. No. 1579, HD 1, SD 2, CD 1
 H.B. No. 1613, HD 2, SD 1, CD 1
 H.B. No. 1652, SD 1, CD 1
 S.B. No. 38, HD 2, CD 1
 S.B. No. 41, HD 1, CD 1
 S.B. No. 44, SD 2, HD 2, CD 1
 S.B. No. 58, SD 1, HD 2, CD 1
 S.B. No. 205, SD 3, HD 2, CD 1
 S.B. No. 209, SD 3, HD 1, CD 1
 S.B. No. 254, SD 2, HD 1, CD 1
 S.B. No. 255, SD 2, HD 1, CD 1
 S.B. No. 317, SD 2, HD 1, CD 1
 S.B. No. 402, SD 2, HD 2, CD 1
 S.B. No. 464, SD 2, HD 2, CD 1
 S.B. No. 528, SD 2, HD 1, CD 1
 S.B. No. 534, SD 2, HD 1, CD 1
 S.B. No. 540, SD 1, HD 2, CD 1
 S.B. No. 574, SD 1, HD 2, CD 1
 S.B. No. 576, HD 2, CD 1
 S.B. No. 582, HD 1, CD 1
 S.B. No. 585, SD 1, HD 1, CD 1
 S.B. No. 614, SD 1, HD 1, CD 1
 S.B. No. 665, SD 1, HD 2, CD 1
 S.B. No. 740, HD 2, CD 1
 S.B. No. 745, SD 2, HD 2, CD 1
 S.B. No. 748, SD 2, HD 2, CD 1
 S.B. No. 789, SD 1, HD 2, CD 1
 S.B. No. 830, SD 1, HD 3, CD 1
 S.B. No. 837, SD 1, HD 2, CD 1
 S.B. No. 855, SD 1, HD 3, CD 1
 S.B. No. 931, SD 2, HD 2, CD 1
 S.B. No. 946, HD 2, CD 1
 S.B. No. 975, HD 1, CD 1
 S.B. No. 1034, SD 1, HD 2, CD 1
 S.B. No. 1040, SD 1, HD 1, CD 1
 S.B. No. 1050, SD 2, HD 2, CD 1
 S.B. No. 1051, HD 2, CD 1
 S.B. No. 1088, SD 2, HD 2, CD 1
 S.B. No. 1134, SD 1, HD 1, CD 1
 S.B. No. 1135, SD 1, HD 1, CD 1
 S.B. No. 1201, SD 2, HD 1, CD 1
 S.B. No. 1237, SD 1, HD 2, CD 1
 S.B. No. 1258, SD 1, HD 1, CD 1
 S.B. No. 1262, SD 1, HD 1, CD 1
 S.B. No. 1279, SD 2, HD 2, CD 1
 S.B. No. 1286, SD 1, HD 2, CD 1
 S.B. No. 1305, SD 1, HD 1, CD 1
 S.B. No. 1309, SD 2, HD 2, CD 1
 S.B. No. 1312, SD 1, HD 2, CD 1
 S.B. No. 1319, SD 1, HD 3, CD 1
 S.B. No. 1321, HD 2, CD 1
 S.B. No. 1324, SD 1, HD 2, CD 1
 S.B. No. 1332, SD 2, HD 2, CD 1
 S.B. No. 1333, SD 1, HD 2, CD 1
 S.B. No. 1352, SD 1, HD 2, CD 1
 S.B. No. 1393, SD 2, HD 1, CD 1
 S.B. No. 1395, SD 1, HD 1, CD 1
 S.B. No. 1403, HD 1, CD 1
 S.B. No. 1423, SD 2, HD 2, CD 1
 S.B. No. 1438, HD 1, CD 1
 S.B. No. 1439, HD 1, CD 1
 S.B. No. 1440, HD 1, CD 1
 S.B. No. 1441, HD 1, CD 1
 S.B. No. 1442, HD 1, CD 1
 S.B. No. 1443, HD 1, CD 1

S.B. No. 1444, HD 1, CD 1
 S.B. No. 1446, SD 2, HD 1, CD 1
 S.B. No. 1492, SD 1, HD 2, CD 1
 S.B. No. 1496, HD 1, CD 1
 S.B. No. 1505, SD 1, HD 2, CD 1
 S.B. No. 1647, SD 2, HD 2, CD 1
 S.B. No. 1661, SD 2, HD 1, CD 1
 S.B. No. 1700, SD 1, HD 2, CD 1

ADJOURNMENT

At 9:48 o'clock p.m. on motion by Representative Lee, seconded by Representative Meyer and carried, the House of Representatives adjourned until 4:00 o'clock p.m., Thursday, May 1, 2003. (Representatives M. Oshiro and Souki were excused.)

SIXTIETH DAY

Thursday, May 1, 2003

The House of Representatives of the Twenty-Second Legislature of the State of Hawaii, Regular Session of 2003, convened at 4:10 o'clock p.m., with the Speaker presiding.

The invocation was delivered in song and musical presentation by Mr. Norman Kaneshiro and Ms. Allison Yanagi, after which the Roll was called showing all members present with the exception of Representative Souki, who was excused.

On motion by Representative Lee, seconded by Representative Meyer and carried, reading of the Journal was dispensed with and the Journal of the Forty-Sixth Day was approved. (Representative Souki was excused.)

At 4:16 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 5:16 o'clock p.m.

GOVERNOR'S MESSAGES

The following messages from the Governor (Gov. Msg. Nos. 272 and 273) were received and announced by the Clerk. An additional message (Gov. Msg. No. 274) was received and announced by the Clerk, and was placed on file.

Gov. Msg. No. 272, informing the House that on April 28, 2003, the following bill was signed into law:

S.B. 843, A BILL FOR AN ACT RELATING TO
SD 1 HD 2 CONSERVATION OF AQUATIC
LIFE, WILDLIFE, AND LAND
PLANTS (ACT 035)

Gov. Msg. No. 273, returning Senate Bill 1426, SD 1, without her approval and her statement of objections relating to the measure, as follows:

"EXECUTIVE CHAMBERS
HONOLULU
April 29, 2003

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 1426 SD 1.

Honorable Members
Twenty-Second Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, Senate Bill No. 1426, entitled "A Bill for an Act Relating to Collective Bargaining in Public Employment."

The reported purpose of this bill is to establish a separate collective bargaining unit for substitute teachers and to provide for impasse resolution for members of the new collective bargaining unit. Objections to this bill are as follows:

1. This bill conflicts directly and irreconcilably with existing statutes. It would require the State and the Department of Education to negotiate wages and amounts of contributions for a public employees' health benefits plan, yet the wage rate for substitute teachers already is set by statute, and casual and part-time employees who work less than half time are excluded by

another statute from participating in a public employees' health benefits plan.

2. While proponents of this bill have repeatedly described it as a bill to allow substitute teachers to form a union, the Department of the Attorney General, the Department of Budget and Finance, and the Department of Education all believe that the unclear definition of collective bargaining unit 14 would also apply to casual and part-time employees in the Department of Education. Currently, there are approximately 5,179 substitute teachers and approximately 54,954 casual and part-time employees in the Department of Education. If the goal was to include casual and part-time employees, it should have been made clearer.

3. These casual and part-time employees fall within wide and varied job classes, ranging from cafeteria helpers to grounds maintenance workers, many of whom would not have the same labor interests as would substitute teachers. If coverage of casual and part-time employees was intended, then the basis for extending bargaining rights to such workers in the Department of Education and not to such workers in other departments of state government should have been addressed.

4. The administration and grievance procedures of a bargaining unit consisting only of substitute teachers would still be problematic given the varied qualifications, status, possible work-locations, and actual time on the job among its proposed members.

5. The Department of Education presently employs part-time teachers who are excluded from Bargaining Unit 5 and are assigned to Unit 5's excluded counterpart Unit 55. These employees are paid from the same pay schedule as teachers and serve as state office and district teachers, secondary teachers, elementary teachers, and counselors. Senate Bill No. 1426 would appear to reassign teachers, who are excluded from Unit 5 by virtue of their part-time status, to the new unit 14. This would cause them to lose existing benefits that are tied to Unit 5.

For the foregoing reasons, I am returning Senate Bill No. 1426 without my approval.

Respectfully,

/s/LINDA LINGLE
Governor of Hawaii"

Gov. Msg. No. 274, transmitting a report, Department of the Attorney General's First Annual Hate Crimes in Hawaii Report for calendar year 2002.

SENATE COMMUNICATIONS

The following communications from the Senate (Sen. Com. Nos. 790 through 815) were received and announced by the Clerk:

Sen. Com. No. 790, transmitting H.C.R. No. 43, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE EXPLORATION OF OPTIONS FOR REDESIGNING THE BENEFIT LEVELS OF "A" STATUS PLANS DEFINED UNDER HAWAII'S PREPAID HEALTH CARE ACT," which was adopted by the Senate on April 29, 2003.

Sen. Com. No. 791, transmitting H.C.R. No. 78, entitled: "HOUSE CONCURRENT RESOLUTION STRONGLY

SUPPORTING THE CONVENING OF THE 2003 ANNUAL MEETING OF THE UNITED NATIONS ECONOMIC AND SOCIAL COUNCIL'S PERMANENT FORUM ON INDIGENOUS ISSUES TO BE HELD IN HAWAII," which was adopted by the Senate on April 29, 2003.

Sen. Com. No. 792, transmitting H.C.R. No. 82, HD 1, entitled: "HOUSE CONCURRENT RESOLUTION URGING HAWAII HEALTH SYSTEMS CORPORATION AND ST. FRANCIS HEALTHCARE SYSTEM TO CONTINUE THEIR PARTNERSHIP IN SERVING THE NEEDS OF DIALYSIS PATIENTS IN HAWAII," which was adopted by the Senate on April 29, 2003.

Sen. Com. No. 793, transmitting H.C.R. No. 90, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE U.S. SMALL BUSINESS ADMINISTRATION TO RE-EXAMINE THE CRITERIA FOR DESIGNATING HUBZONES UNDER THE HUBZONE EMPOWERMENT CONTRACTING PROGRAM AS IT APPLIES TO THE STATE OF HAWAII," which was adopted by the Senate on April 29, 2003.

Sen. Com. No. 794, transmitting H.C.R. No. 92, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS, IN CONJUNCTION WITH HAWAII'S HEALTH PLANS, TO EXPLORE OPTIONS FOR PROVIDING MEDICAL SAVINGS ACCOUNTS AND HIGH DEDUCTIBLE HEALTH PLANS TO HAWAII'S BUSINESSES UNDER HAWAII'S PREPAID HEALTH CARE ACT," which was adopted by the Senate on April 29, 2003.

Sen. Com. No. 795, transmitting H.C.R. No. 94, HD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT TO SUBMIT REPORTS ON EXEMPT EMPLOYEES AS REQUIRED BY ACT 253, SESSION LAWS OF HAWAII 2000," which was adopted by the Senate on April 29, 2003.

Sen. Com. No. 796, transmitting H.C.R. No. 95, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE EMPLOYEES' RETIREMENT SYSTEM TO STUDY THE FEASIBILITY OF A DEFERRED RETIREMENT OPTION PLAN BENEFIT FOR FIRE FIGHTERS AND POLICE OFFICERS," which was adopted by the Senate on April 29, 2003.

Sen. Com. No. 797, transmitting H.C.R. No. 97, HD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE EMPLOYEES' RETIREMENT SYSTEM TO CONDUCT A STUDY ON THE FEASIBILITY OF A HYBRID RETIREMENT PLAN," which was adopted by the Senate on April 29, 2003.

Sen. Com. No. 798, transmitting H.C.R. No. 109, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE EMPLOYEES' RETIREMENT SYSTEM TO REVIEW ITS INVESTMENT PRACTICES, DETERMINE WHETHER ANY INVESTMENTS ARE BEING MADE WITH COMPANIES BASED IN COUNTRIES THAT SUPPORT TERRORISM, AND RETHINK ITS INVESTMENT POLICIES REGARDING THESE COMPANIES," which was adopted by the Senate on April 29, 2003.

Sen. Com. No. 799, transmitting H.C.R. No. 117, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF EDUCATION TO ENTER INTO A REAL ESTATE TRANSACTION AGREEMENT FOR A

NEW ELEMENTARY SCHOOL IN KAHULUI, MAUI," which was adopted by the Senate on April 29, 2003.

Sen. Com. No. 800, transmitting H.C.R. No. 165, HD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE AUDITOR TO CONDUCT AN AUDIT OF THE KALAUPAPA SETTLEMENT OPERATIONS AND EXPENDITURES," which was adopted by the Senate on April 29, 2003.

Sen. Com. No. 801, transmitting H.C.R. No. 185, entitled: "HOUSE CONCURRENT RESOLUTION URGING THE DEPARTMENT OF EDUCATION TO IMPLEMENT CAREER PATHWAYS AS A PART OF A SCHOOL REFORM MODEL TO INCLUDE THE REDESIGN OF CAREER AND TECHNICAL EDUCATION THAT IS REFLECTIVE OF ECONOMIC DEVELOPMENT INITIATIVES AND PRIORITIES," which was adopted by the Senate on April 29, 2003.

Sen. Com. No. 802, transmitting H.B. No. 378, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR NOT-FOR-PROFIT CORPORATIONS THAT PROVIDE HEALTH CARE FACILITIES," which passed Third Reading in the Senate on April 29, 2003.

Sen. Com. No. 803, transmitting H.B. No. 379, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR NOT-FOR-PROFIT CORPORATIONS THAT PROVIDE HEALTH CARE FACILITIES," which passed Third Reading in the Senate on April 29, 2003.

Sen. Com. No. 804, transmitting H.B. No. 380, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR NOT-FOR-PROFIT CORPORATIONS THAT PROVIDE HEALTH CARE FACILITIES," which passed Third Reading in the Senate on April 29, 2003.

Sen. Com. No. 805, transmitting H.B. No. 381, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR NOT-FOR-PROFIT CORPORATIONS THAT PROVIDE HEALTH CARE FACILITIES," which passed Third Reading in the Senate on April 29, 2003.

Sen. Com. No. 806, transmitting H.B. No. 382, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR NOT-FOR-PROFIT CORPORATIONS THAT PROVIDE HEALTH CARE FACILITIES," which passed Third Reading in the Senate on April 29, 2003.

Sen. Com. No. 807, transmitting H.B. No. 383, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR NOT-FOR-PROFIT CORPORATIONS THAT PROVIDE HEALTH CARE FACILITIES," which passed Third Reading in the Senate on April 29, 2003.

Sen. Com. No. 808, transmitting H.B. No. 475, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC UTILITIES COMMISSION," which passed Third Reading in the Senate on April 29, 2003.

Sen. Com. No. 809, transmitting H.B. No. 485, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR HANAHAU'OLI SCHOOL," which passed Third Reading in the Senate on April 29, 2003.

Sen. Com. No. 810, transmitting H.B. No. 488, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR MID-PACIFIC INSTITUTE," which passed Third Reading in the Senate on April 29, 2003.

Sen. Com. No. 811, transmitting H.B. No. 645, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS FOR ASSISTING NOT-FOR-PROFIT CORPORATIONS THAT PROVIDE HEALTH CARE FACILITIES TO THE GENERAL PUBLIC," which passed Third Reading in the Senate on April 29, 2003.

Sen. Com. No. 812, transmitting H.B. No. 939, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR HOALA SCHOOL," which passed Third Reading in the Senate on April 29, 2003.

Sen. Com. No. 813, transmitting H.B. No. 1564, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR CHAMINADE UNIVERSITY," which passed Third Reading in the Senate on April 29, 2003.

Sen. Com. No. 814, dated April 29, 2003, informing House that the Senate has on this day, reconsidered its action taken on April 10, 2003, in disagreeing to the amendments proposed by the House to the following Senate Bills and has moved to agree to the amendments. The Senate further informs the House that said bills have this day passed Final Reading:

S.B. 637, HD 2
"RELATING TO MISSING CHILDREN."

S.B. 1068, SD 1, HD 2
"RELATING TO HEALTH CARE FACILITIES."

Sen. Com. No. 815, dated April 29, 2003, informing the House that the following bills have this day passed Final Reading in the Senate.

S.B. No. 44, SD 2, HD 2, CD 1
"RELATING TO TRANSPORTATION"

H.B. No. 200, HD 1, SD 1, CD 1
"RELATING TO THE STATE BUDGET"

H.B. No. 980, HD 1, SD 1, CD 1
"RELATING TO CIVIL SETTLEMENTS"

H.B. No. 1217, HD 1, SD 1, CD 1
"RELATING TO CONTROLLED SUBSTANCES"

H.B. No. 287, HD 3, SD 2, CD 1
"RELATING TO PUBLIC EMPLOYEES"

H.B. No. 1165, HD 2, SD 1, CD 1
"RELATING TO BUSINESS REGISTRATION"

H.B. No. 10, HD 2, SD 1, CD 1
"RELATING TO PUBLIC UTILITIES"

H.B. No. 807, HD 2, SD 2, CD 1
"RELATING TO CHAPTER 291E"

H.B. No. 1010, HD 1, SD 2, CD 1
"RELATING TO THE USE OF INTOXICANTS"

H.B. No. 1003, HD 1, SD 2, CD 1
"RELATING TO CRIME VICTIM COMPENSATION"

H.B. No. 1509, HD 2, SD 2, CD 1
"RELATING TO HISTORIC PRESERVATION"

H.B. No. 1613, HD 2, SD 1, CD 1
"RELATING TO NORTH KOHALA"

H.B. No. 507, HD 3, SD 1, CD 1
"RELATING TO EMERGENCY MEDICAL
TECHNICIANS"

H.B. No. 1465, HD 2, SD 2, CD 1
"RELATING TO INTOXICATING LIQUOR"

H.B. No. 1164, HD 1, SD 1, CD 1
"RELATING TO INSURANCE"

S.B. No. 1319, SD 1, HD 3, CD 1
"RELATING TO THE UNIFORM LIMITED
PARTNERSHIP ACT"

S.B. No. 837, SD 1, HD 2, CD 1
"RELATING TO WORKFORCE DEVELOPMENT"

S.B. No. 41, HD 1, CD 1
"RELATING TO PUBLIC CONTRACTS"

S.B. No. 665, SD 1, HD 2, CD 1
"RELATING TO PREPAID HEALTH CARE PLAN"

S.B. No. 1395, SD 1, HD 1, CD 1
"RELATING TO THE AMENDMENT OR REPEAL OF
OBSOLETE TAX LAWS"

S.B. No. 946, HD 2, CD 1
"RELATING TO CAREGIVER CONSENT"

S.B. No. 830, SD 1, HD 3, CD 1
"RELATING TO CRIMINAL HISTORY RECORD
CHECKS"

S.B. No. 1324, SD 1, HD 2, CD 1
"RELATING TO CONCILIATION PANELS"

S.B. No. 255, SD 2, HD 1, CD 1
"RELATING TO AGRICULTURE"

S.B. No. 1309, SD 2, HD 2, CD 1
"RELATING TO THE EMPLOYEES' RETIREMENT
SYSTEM"

S.B. No. 1505, SD 1, HD 2, CD 1
"RELATING TO INVASIVE SPECIES"

S.B. No. 528, SD 2, HD 1, CD 1
"RELATING TO THE TRANSFER OF COUNTY LANDS
AND IMPROVEMENTS"

S.B. No. 1258, SD 1, HD 1, CD 1
"RELATING TO THE AGRIBUSINESS DEVELOPMENT
CORPORATION"

S.B. No. 614, SD 1, HD 1, CD 1
"RELATING TO HEALTH INSURANCE"

S.B. No. 855, SD 1, HD 3, CD 1
"RELATING TO ENERGY"

S.B. No. 1286, SD 1, HD 2, CD 1
"RELATING TO THE HOUSING AND COMMUNITY
DEVELOPMENT CORPORATION OF HAWAII"

S.B. No. 1034, SD 1, HD 2, CD 1
"RELATING TO AGRICULTURAL LANDS"

S.B. No. 574, SD 1, HD 2, CD 1
"RELATING TO CAPTIVE INSURANCE"

H.B. No. 595, HD 1, SD 1, CD 1
"RELATING TO CHECK CASHING"

H.B. No. 29, HD 1, SD 1, CD 1
"RELATING TO MEAL BREAKS"

H.B. No. 1157, SD 2, CD 1
"RELATING TO THE EMPLOYEES' RETIREMENT
SYSTEM"

H.B. No. 1285, HD 1, SD 1, CD 1
"RELATING TO HISTORIC SITES"

H.B. No. 426, HD 1, SD 2, CD 1
"RELATING TO PUBLIC LANDS"

H.B. No. 564, SD 1, CD 1
"RELATING TO PROMOTION OF CONTROLLED
SUBSTANCES"

H.B. No. 135, HD 1, SD 1, CD 1
"RELATING TO INTERNATIONAL MATCHMAKING
ORGANIZATIONS"

H.B. No. 373, HD 2, SD 1, CD 1
"RELATING TO POLITICAL SPEECH"

H.B. No. 1214, HD 2, SD 2, CD 1
"RELATING TO PUBLIC LAND LIABILITY"

H.B. No. 324, HD 1, SD 1, CD 1
"RELATING TO DRIVER LICENSING"

H.B. No. 298, HD 2, SD 2, CD 1
"RELATING TO CORRECTIONAL FACILITIES"

H.B. No. 736, HD 1, SD 2, CD 1
"RELATING TO PROFESSIONAL AND VOCATIONAL
LICENSES"

H.B. No. 133, HD 1, SD 3, CD 1
"RELATING TO CHILD PROTECTION"

H.B. No. 562, SD 1, CD 1
"RELATING TO SEXUAL ASSAULT"

H.B. No. 968, HD 1, SD 1, CD 1
"RELATING TO UNEMPLOYMENT BENEFITS"

H.B. No. 1303, SD 1, CD 1
"RELATING TO THE OFFICE OF HAWAIIAN
AFFAIRS"

H.B. No. 1579, HD 1, SD 2, CD 1
"RELATING TO THE ECONOMIC DIVERSIFICATION
AUTHORITY"

H.B. No. 317, HD 2, SD 2, CD 1
"RELATING TO THE EMPLOYEES' RETIREMENT
SYSTEM"

H.B. No. 914, HD 2, SD 1, CD 1
"RELATING TO ADULT RESIDENTIAL CARE HOMES"

H.B. No. 32, HD 2, SD 2, CD 1
"RELATING TO EDUCATION"

H.B. No. 130, HD 1, SD 2, CD 1
"RELATING TO PENSION AND RETIREMENT
SYSTEMS"

H.B. No. 531, SD 1, CD 1
"RELATING TO PUBLIC EMPLOYEES"

S.B. No. 1051, HD 2, CD 1
"RELATING TO PERSONAL TRANSPORTATION"

S.B. No. 1201, SD 2, HD 1, CD 1
"RELATING TO MOTOR VEHICLE FRANCHISES"

S.B. No. 931, SD 2, HD 2, CD 1
"RELATING TO HAWAII VICTIMS LEAVE ACT"

S.B. No. 1492, SD 1, HD 2, CD 1
"RELATING TO ASSISTED LIVING FACILITIES"

S.B. No. 975, HD 1, CD 1
"RELATING TO GOVERNMENT"

S.B. No. 740, HD 2, CD 1
"RELATING TO HEALTH"

S.B. No. 38, HD 2, CD 1
"RELATING TO THE HAWAII TOURISM AUTHORITY"

S.B. No. 1423, SD 2, HD 2, CD 1
"RELATING TO A COMMISSION ON FATHERHOOD"

S.B. No. 205, SD 3, HD 2, CD 1
"RELATING TO EMPLOYMENT"

S.B. No. 1333, SD 1, HD 2, CD 1
"RELATING TO THE COMPENSATION OF OFFICIALS
IN THE JUDICIAL BRANCH OF STATE
GOVERNMENT"

S.B. No. 464, SD 2, HD 2, CD 1
"RELATING TO IMPLEMENTATION OF A FIXED RAIL
TRANSIT SYSTEM"

S.B. No. 1262, SD 1, HD 1, CD 1
"RELATING TO PROCUREMENT"

S.B. No. 1403, HD 1, CD 1
"RELATING TO DEPARTMENT OF
TRANSPORTATION'S MARITIME-RELATED USES"

S.B. No. 1332, SD 2, HD 2, CD 1
"RELATING TO THE COMPENSATION OF OFFICIALS
IN THE EXECUTIVE BRANCH OF STATE
GOVERNMENT"

S.B. No. 748, SD 2, HD 2, CD 1
"RELATING TO NURSING EDUCATION"

S.B. No. 1321, HD 2, CD 1
"RELATING TO MENTAL HEALTH"

S.B. No. 1446, SD 2, HD 1, CD 1
"RELATING TO TECHNOLOGY"

S.B. No. 576, HD 2, CD 1
"RELATING TO THE UNIVERSITY OF HAWAII"

S.B. No. 1237, SD 1, HD 2, CD 1
"RELATING TO EDUCATION"

S.B. No. 17, SD 1, HD 1, CD 1
"RELATING TO EDUCATION"

S.B. No. 789, SD 1, HD 2, CD 1
"RELATING TO PUBLIC EMPLOYEE HEALTH BENEFITS"

S.B. No. 1393, SD 2, HD 1, CD 1
"RELATING TO THE EXECUTIVE DEPARTMENTS OF STATE GOVERNMENT"

H.B. No. 1456, HD 1, SD 1, CD 1
"RELATING TO THE DEPOSIT BEVERAGE CONTAINER PROGRAM"

H.B. No. 281, HD 1, SD 2, CD 1
"RELATING TO STATE EDUCATIONAL FACILITIES REPAIR AND MAINTENANCE"

H.B. No. 638, HD 1, SD 2, CD 1
"RELATING TO THE HAWAII STATE PUBLIC LIBRARY SYSTEM"

H.B. No. 289, HD 2, SD 2, CD 1
"RELATING TO EDUCATION"

H.B. No. 1175, HD 2, SD 1, CD 1
"RELATING TO THE DEPARTMENT OF EDUCATION"

H.B. No. 297, HD 2, SD 2, CD 1
"RELATING TO DRUGS"

H.B. No. 1255, SD 2, CD 1
"MAKING AN APPROPRIATION FOR THE OFFICE OF ELECTIONS"

H.B. No. 1361, HD 2, SD 1, CD 1
"RELATING TO THE MEDICAID PRESCRIPTION DRUG EXPANSION PROGRAM"

S.B. No. 1312, SD 1, HD 2, CD 1
"RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM"

S.B. No. 1352, SD 1, HD 2, CD 1
"RELATING TO HOME AND COMMUNITY-BASED SERVICES"

S.B. No. 582, HD 1, CD 1
"RELATING TO STATE BONDS"

S.B. No. 1135, SD 1, HD 1, CD 1
"RELATING TO COURT FEES"

S.B. No. 540, SD 1, HD 2, CD 1
"MAKING AN APPROPRIATION FOR AGRICULTURAL RESEARCH AND DEVELOPMENT"

S.B. No. 317, SD 2, HD 1, CD 1
"MAKING AN APPROPRIATION FOR THE FIFTIETH ANNIVERSARY COMMEMORATION OF THE KOREAN WAR COMMISSION"

S.B. No. 1050, SD 2, HD 2, CD 1
"RELATING TO VETERANS RIGHTS AND BENEFITS"

S.B. No. 1647, SD 2, HD 2, CD 1
"RELATING TO SERVICES FOR INDIVIDUALS WHO ARE BLIND OR VISUALLY IMPAIRED"

S.B. No. 585, SD 1, HD 1, CD 1
"RELATING TO STATE FUNDS"

S.B. No. 1279, SD 2, HD 2, CD 1
"RELATING TO TOBACCO"

S.B. No. 1661, SD 2, HD 1, CD 1
"RELATING TO THE HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII"

H.B. No. 1230, HD 1, SD 2, CD 1
"RELATING TO TRANSPORTATION"

H.B. No. 1154, HD 1, SD 2, CD 1
"RELATING TO UNCLAIMED PROPERTY"

H.B. No. 422, HD 2, SD 2, CD 1
"RELATING TO A CENTER FOR NURSING"

H.B. No. 320, HD 2, SD 1, CD 1
"RELATING TO RISK MANAGEMENT"

H.B. No. 282, HD 2, SD 1, CD 1
"RELATING TO THE AUDITOR"

H.B. No. 1111, HD 2, SD 2, CD 1
"MAKING APPROPRIATIONS FOR CLAIMS AGAINST THE STATE, ITS OFFICERS, OR ITS EMPLOYEES"

H.B. No. 293, HD 1, SD 2, CD 1
"RELATING TO THE FARMERS' MARKET"

H.B. No. 290, HD 2, SD 1, CD 1
"RELATING TO UNEMPLOYMENT"

H.B. No. 1362, SD 1, CD 1
"RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR ST. PATRICK SCHOOL"

H.B. No. 1652, SD 1, CD 1
"MAKING AN APPROPRIATION TO THE MEDICAID PRESCRIPTION DRUG REBATE SPECIAL FUND"

S.B. No. 1443, HD 1, CD 1
"MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS"

S.B. No. 1444, HD 1, CD 1
"MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS"

S.B. No. 1040, SD 1, HD 1, CD 1
"RELATING TO TRANSIENT ACCOMMODATIONS TAX"

S.B. No. 1134, SD 1, HD 1, CD 1
"RELATING TO COURT COSTS"

S.B. No. 254, SD 2, HD 1, CD 1
"RELATING TO AGRICULTURE"

S.B. No. 534, SD 2, HD 1, CD 1
"RELATING TO AGRICULTURE"

S.B. No. 1496, HD 1, CD 1
"RELATING TO AGRICULTURE"

S.B. No. 1440, HD 1, CD 1
"RELATING TO COLLECTIVE BARGAINING COST ITEMS"

S.B. No. 1441, HD 1, CD 1
"MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS"

S.B. No. 745, SD 2, HD 2, CD 1
"RELATING TO EMERGENCY MEDICAL SERVICES"

S.B. No. 1088, SD 2, HD 2, CD 1
"RELATING TO LONG-TERM CARE"

S.B. No. 377, SD 1, HD 2, CD 1
"RELATING TO TAXATION"

S.B. No. 1305, SD 1, HD 1, CD 1
"RELATING TO STATE FUNDS"

S.B. No. 58, SD 1, HD 2, CD 1
"RELATING TO SCHOOL REPAIR AND MAINTENANCE"

S.B. No. 402, SD 2, HD 2, CD 1
"RELATING TO MEDICAL EDUCATION"

S.B. No. 1700, SD 1, HD 2, CD 1
"RELATING TO CHARTER SCHOOLS"

S.B. No. 209, SD 3, HD 1, CD 1
"RELATING TO PUBLIC EMPLOYMENT"

S.B. No. 1438, HD 1, CD 1
"MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS"

S.B. No. 1439, HD 1, CD 1
"MAKING APPROPRIATIONS FOR SALARY INCREASES FOR PUBLIC EMPLOYEES"

S.B. No. 1442, HD 1, CD 1
"MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS"

H.B. No. 1412, HD 2, SD 2, CD 1
"RELATING TO PROFESSIONAL COUNSELORS"

H.B. No. 640, HD 1, SD 2, CD 1
"MAKING AN APPROPRIATION FOR THE LOSS MITIGATION GRANT PROGRAM"

H.B. No. 808, HD 1, SD 2, CD 1
"RELATING TO THE JUDICIARY"

H.B. No. 1300, HD 2, SD 2, CD 1
"RELATING TO THE BUDGET OF THE OFFICE OF HAWAIIAN AFFAIRS"

INTRODUCTIONS

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

Representative M. Oshiro introduced Mr. Craig Yamakawa, his legislative intern.

Representative Pendleton introduced Mr. Cliff Gadsden, his legislative office manager.

Representative Shimabukuro introduced Mr. Jeff Stone of the Ko Olina Resort and Marina, Mr. Todd Apo of the Ko Olina Community Association.

Representative Shimabukuro then introduced Mr. Souza, a constituent from the Waianae area.

Representative Shimabukuro also introduced Mr. Randy Perra of HGEA.

ORDER OF THE DAY

COMMITTEE REASSIGNMENT

The following resolution was re-referred to committee by the Speaker:

H.R. No.

Re-referred to:

158, HD 1	Jointly to the Committee on Health and the Committee on Human Services and Housing
--------------	---

SUSPENSION OF RULES

On motion by Representative Lee, seconded by Representative Meyer and carried, the rules were suspended for the purpose of considering bills on Final Reading on the basis of a modified consent calendar.

UNFINISHED BUSINESS

Conf. Com. Rep. No. 145 and S.B. No. 687, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 687, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LEAVES OF ABSENCE," passed Final Reading by a vote of 51 ayes.

The Chair directed the Clerk to note that S.B. No. 687, SD 1, HD 1, CD 1, passed Final Reading at 5:21 o'clock p.m.

Conf. Com. Rep. No. 146 and S.B. No. 768, SD 1, HD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that S.B. No. 768, SD 1, HD 2, CD 1, pass Final Reading, seconded by Representative Lee.

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

"Mr. Speaker, I rise in opposition to this measure. This is the bill that would reinstate binding arbitration to Collective Bargaining Units 2, 3, 4, 6, 8, and 13. It's my opinion that we were elected to this Body to hold the purse strings and to manage the money of the people of Hawaii. By going this direction, we are ceding our responsibility to arbiter, and for that reason, I'm voting no. Thank you."

At 5:22 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 5:22 o'clock p.m.

Representative Saiki rose and stated:

"Mr. Speaker, I misstated the measure when I made my motion. I should have read, Conference Committee Report No. 146, S.B. No. 768, SD 1, HD 2, CD 1."

The Chair responded, stating:

"Okay? Representative Saiki is just clarifying the motion that he made."

Representative Stonebraker rose and stated:

"Do I need to clarify my remarks as well?"

The Chair responded, stating:

"No, you do not."

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

"Thank you, Mr. Speaker. I am rising in opposition to this measure. I was just a year ago that that we changed the law to allow these bargaining units to strike. My concern is that historically, when you see what goes on with binding arbitration, it works. It just keeps the Executive branch out of it. You have a third party arbitrator, if the parties can't get together; it acts like an incentive to the union, I believe, not to come to the table. Because they know they are going to get a raise no matter what, with the binding arbitrator.

"And it doesn't take into account the financial status of the State. The wages are always ratcheted up and there are situations, as we find ourselves in right now, where you may want to give a raise, but you don't have the wherewithal to do it. We haven't even gone through one contract with this change in the law, and now we are totally reversing what the majority of the Members of this House voted for just a year or two ago. I think we are acting hastily and we should just leave the law alone. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. I rise in support. Mr. Speaker, as an attorney, I have grown to appreciate alternative dispute resolution, as an effective and fair means to settle disputes outside of litigation. Arbitration and mediation, rather than fighting and litigation, is a win-win for all parties involved, except perhaps the lawyers. I think that's a good thing.

"The same is true for collective bargaining, Mr. Speaker, which I believe is the preferred alternative dispute resolution technique for settling difference in public employment contracts. So why, Mr. Speaker, why Mr. Speaker, would the State want to limit public employees to the sole recourse of striking, where everyone loses, Mr. Speaker, rather than resolving their difference through collective bargaining. Why do you want to do this Mr. Speaker? The answer is because public employee unions have historically have been better prepared than the State in going into collective bargaining negotiations. So the rules were changed, and now public employees are forced to strike, rather than to negotiate.

"Now I can tell you what the impact of this policy is in an area that I work in, the real property area. The Bureau of Conveyances staff at one point did have binding arbitration. It was taken away from them, and the right to strike was re-imposed. During the last strike, the Bureau of Conveyances was shut down. During the first week or two, it was a minor inconvenience. But after that, a large rolling, ripple effect

began to reverberate through our entire real estate industry and into our lending industry. Real estate transactions started to fall apart, because deeds and mortgages could no longer be recorded in a timely manner at the Bureau of Conveyances. New sales were stalled, both commercial ones and single family residential. New loans were no longer being processed. From the very largest loans to the smallest. Our real estate and corresponding lending industries, started to turn into a meltdown, which in turn, threatened to drag down our entire economy.

"SB 768, HD 1, CD 1, would help to prevent this from happening again, Mr. Speaker. Not only in the real estate and lending industries, but also in many other segments of our economy that we would be impacted by a strike. This would be accomplished by reinstating binding arbitration for our government workers. This bill will ensure that the government services would continue. This bill serves the best interest of our State, Mr. Speaker. I hope this Body passes this legislation. And I hope that the Governor will reconsider her threat to veto this legislation. Thank you very much, Mr. Speaker."

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

"Thank you, Mr. Speaker. I am rising in opposition. The problem with binding arbitration as it has been used in the State is, the units can come in at the last minute when it's too late to really negotiate. And then there's no chance left to negotiate and do nothing but call in an arbitrator, usually from the mainland. The arbitrator comes here, doesn't know about our situation, and our ability to pay. Only knows that, let's just use some arbitrary percentages here, maybe the State is saying zero and the bargaining unit is saying one hundred. And this arbitrator comes in from the mainland and says, "Well, let's just compromise. Let's give them fifty." Well that's already a win for the bargaining unit and it's a loss for the State.

"Now on the other hand, if the bargaining unit has the ability to strike, and they go out on strike and if they are affecting some service that the public thinks shouldn't be shut down, then there's public pressure and the public pressure can work both ways. It can say, "State, pay them." Or it can say, "Bargaining unit, go back to work." So there's some influence there from the taxpayers. It's the taxpayers who end up paying in the end. It's not us in the Legislature, it's the taxpayers.

"So, as was previously mentioned we just passed this law. We haven't even tried it yet. I think we ought to at least wait. And then if we see if there are failures, maybe we can look at it again. We haven't given it a chance. Thank you, Mr. Speaker."

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

"Yes, thank you very much, Mr. Speaker. I wish to speak in favor of this bill. Mr. Speaker and Members of the House, I want to applaud the House leadership, and the Chairman of Labor, and the Chairman of Finance, and all the Members that had something to do in reviving this bill, so to speak, Mr. Speaker.

"If you recall in 2001, I spoke very strongly against repealing arbitration. I felt that modern labor and modern management can work out their problems through arbitration. It will provide for the community a continuum of services, no disruption of services. So Mr. Speaker and Members, thank you very much for reviving this for the sake of the community. Thank you very much."

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

"Thank you, Mr. Speaker. I rise in opposition to this measure. Mr. Speaker, I have primarily two reasons why I think this piece of legislation is not advisable. The first is, as has been stated by previous speakers. We made this change I believe in 2001 or thereabout. We have not yet had the opportunity to see the consequences in result of that policy change. And yet without any new information, without any new arguments that weren't made and articulated in 2001, we're reversing ourselves. It seems to me the prudent thing, the wise thing for us to do is look and see what the results are of that previous policy change before we reverse ourselves. It's one thing to change, but it's another thing to flip-flop back and forth. And here we are repealing arbitration, instituting the right to strike and going back to it in the period of a couple of Legislative Sessions. It's just too soon to make that change.

"The second more substantial reason I have for opposing this is, I too have practiced law. I too have had experience with alternative dispute resolution, not in the real estate arena, but in the personal injury arena. And I believe that one thing you have with arbitration is the desire by the arbitrator to bring this situation to a resolution. All too often that pressure to just resolve this dispute means that they 'cut the baby in half'. One party wants 2%, the other wants 5%, and so they give 3.5% to 4%. Or the plaintiff wants \$10,000, the defendant wants \$0, so he ends up giving \$5,000. And so what you have, if you take that analogy out of the personal injury context and place it here in terms of the State and our collective bargaining units, you have a one-way ratchet, where they will always be able to get something because no arbitrator is going to come up and say, 'Half way between zero and five, is zero.' That's just not going to happen. I suppose that's a theoretical possibility, but that's generally not going to happen. So you have a one-way ratchet to where it's always going to go up.

"Under the current, present scenario, there's a possibility that collective bargaining could be worse off because they may get an increase, but they may not get paid for the period during which they struck. As to always having in their mind to deduct that part and look at the negative press they may be getting, the negative consequence from the public saying, 'Why are you doing this at this time, given all the financial constraints that the State has.' So I think under the current regime, under the current situation, you have an opportunity as the Representative from Makakilo said, for the public to share, to give expression, and to put pressure on those parties involved. Under arbitration, basically you're going to cede all of that power to an arbitrator and he or she is going to always try to meet half way, simply resolve it, and it's going to be a one-way ratchet upward, regardless whether we can afford it. Regardless of the fiscal situations. Regardless of the economics. For those reasons Mr. Speaker, I oppose this measure."

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

"Thank you, Mr. Speaker. I rise in support. It's a sign of intelligence to learn from our mistakes. And I think it was a mistake to allow strikes. The first sign was the teachers, and that was a horrible, horrible thing.

"The second point I think the previous speaker made, was that this was a previous Legislature that made this law, and why are we flip-flopping. We are a new Legislature. After all, you got fourteen new freshmen. We don't have to just go along with what a previous Legislature did. And I think it's a good idea to change back.

"Lastly, looking at the courts, if a strike were allowed, it would basically cut down or shut down the court system. If you could imagine that, victims of crimes not being able to

have their day in court. Victims not even able to get a TRO against their aggressor. Strikes are a bad idea and I urge everyone to vote for this measure. Thank you."

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

"Thank you, Mr. Speaker. I rise in support. Mr. Speaker, I'm one of the few people in this Chamber that's actually been involved in the collective bargaining process. I have sat at the negotiating table. I have participated in mediation. I have participated in arbitration. And some of the scenarios that have been brought up by the opponents to this bill, I find curious because I have never run into those.

"In my experience, both management and labor have to be very, very careful, and very, very thoughtful about the final proposals that they submit to the arbitrator, or else you are apt to get your knees cut out from under you. And my experience has always been that the arbitrators have been very, very thoughtful and careful in how they craft the final settlement. Thank you."

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

"I rise in support, Mr. Speaker. If there's anyone here in this august body who has the experience in negotiating a contract, I'm one of those. And anytime that we can settle a dispute or any issue, and we don't have to hit the pavement, I'll go for it. You see, in negotiation, if you reach an impasse, there's a time to decide whether you hit the pavement or sign the contract. And anytime that we can avoid a strike, because a strike is a complete disruption. And any time we can avoid a strike, I'll go for it. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. I am standing in support. First, I would like to request that the words of the previous speaker from Ewa Beach be incorporated in the Journal as my own, and the Chair "so ordered." (By reference only.)

Representative Sonson continued, stating:

"I'd like to respond to a comment that our job as policymakers is mainly to hold the 'purse strings'. I believe that, that is one of the things that we should do. That we should be financially responsible. However I think that we have a bigger duty to ensure that the workers, the people of Hawaii who are the engine of our economy, those people we depend on to make sure that everything is running properly, especially in our government, in the inner-workings of our government, we will make sure that they are also treated fairly. And we're not saying treat them specially. We're saying treat them fairly.

"The other comment was that the law was passed and we should give it a chance. The law was passed to take away this arbitration process and to go back to the strike method in settling disputes. I don't think that there's anyone here that's not familiar with the problems that are created when a strike takes place. I can remember as far as in the 70s when the garbage collection people did not pick up our trash. It was horrible. That's why the thing that we have to wait and see, I don't think that's going to be a cure for this. I don't think we should even take that into consideration.

"Again, there were also comments from attorneys that stood up and said that arbitration is good. I can also second that. I also have experience in arbitration. It is a way of resolving

disputes in a manner that's not going to impact people, their families, the workers and their families who don't know what's going on. How do you explain to a nine year-old, or a four year-old that daddy has got to go and walk, and I can't be taking you to school. The hardships that we cannot even explain to our families that are caused by a strike. The shortage in monies. Somebody has to suffer. Why do we need to subject the people who are very supportive of our economy, of our way of life in Hawaii, our workers, that we as policymakers have a duty to ensure that they are treated fairly to such things as strike. I think it's an old fashioned way to settle disputes, and the best way is to hire the best lawyer.

"And I think that the State, as well as any collective bargaining unit has that opportunity. I also don't think that the arbitrator is so insensitive to the evidence and be so one-sided that anyone can argue that they are always taking the workers' side. I think that's a false premise. I don't think that can be proven. I think the arbitrator is chosen because that arbitrator can be just and be fair to both sides. Thank you very much, Mr. Speaker."

At this time, the Chair announced:

"We've had a lot of discussion on this particular issue. At this point, the Chair will recognize Representative Kanoho, Representative Moses and Representative M. Oshiro for your final comments. Representative Halford also."

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

"Thank you, Mr. Speaker. In strong support. To clarify a point that the Legislature in passing this measure would relinquish our control of the 'purse strings', and that is not the case. We're not bound to abide by the decision of the arbitrator, particularly if as has been pointed out that the arbitrator might 'give the store away'. And it has been said that we should be frugal we should be very cognizant of the money being spent and that is when we can exercise that responsibility. We do not need to pass an arbitrator's decision if it is not right, if it extends beyond good judgment and beyond the ability for the State to render payment. Thank you."

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

"Thank you, Mr. Speaker. In support. Mr. Speaker, I want to continue to speak in support of arbitration. I was in the vanguard of the movement to bring arbitration. I campaigned for arbitration in 1994 before the unions themselves asked for it. And I'd like to present some background if I can, as to why it came to that perception at that time. I think the reasons remain the same today.

"Mr. Speaker, I believe it was in approximately 1992 when HGEA went on strike. It was the first strike that they had had I believe since they were formed. Sixty years and the first time they had a strike. And in that strike, Mr. Speaker, there was a disruption of services, but under that policy, the right to strike, the employer was not fair in the process. This was Governor Waihee at that time, Mr. Speaker. The employer decided that some of the striking members were essential workers and took them off the picket. And then later would decide more workers were essential and take them off the picket. And I can sympathize since many of the HGEA members do work that is in my view essential, I can follow the logic to some degree.

"But the reason that that's unfair, Mr. Speaker, is they were members then that had no mechanism to resolve their employee requests. They didn't have strike as an option. They didn't have binding arbitration. They were a growing number of

HGEA members, growing almost daily during the strike, a growing number that had no mechanism to bargain for what they thought was right. Mr. Speaker, if the employer is going to arbitrarily in some cases, declare workers as essential, and take them off the pickets, they are unfairly leaving a group of people with no mechanism. And it is because of that I supported and advocated for arbitration in 1994. I don't think this circumstance has changed at this point.

"If, Mr. Speaker, the rules of arbitration are unfair, unbalanced, then let's change the rules of arbitration. But arbitration gives us a mechanism to resolve disputes without interrupting services. If we don't want or if we feel we don't need those services then we shouldn't be funding them in the first place. We're funding them because we believe we need them. And for us to create a policy that puts the delivery of those services at risk, that is just not a good thing, Mr. Speaker. I favor arbitration, and if the arbitration rules are not good, let's take a closer look at them.

"Mr. Speaker, I want to just continue on to say that that strike was a belligerent activity on the part of the Administration. And since then, I was elected in 1994 so I got to watch real close with the next Administration. And the willingness of the last two Governors to be belligerent with our employees, not just with those strikers, but in a whole variety of ways. Payroll lag, it's a very long list of how this government has treated employees badly. Fortunately, I believe we have a Governor today that will be more receptive and responsive. But nevertheless, the employees deserve a fair process. Thank you, Mr. Speaker."

The Chair then stated:

"Members, at this time, the Chair will call a short recess for five minutes. We will reconvene in five minutes. The Senate has already completed their work for the year, and they are here waiting for us. That is the reason that I called for the question earlier, but I did give Members their chance to say their piece on the floor."

At 5:46 o'clock p.m., the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 5:52 o'clock p.m.

At this time, the Chair announced:

"Members, may we proceed on with Conference Committee Report No. 146. Representative Moses."

Representative Moses rose to respond, stating:

"Thank you, Mr. Speaker. I just wanted to say that nobody's denigrating our hard working public employees. But I repeat again, that arbitrators try to reach a middle ground, which is their job. And that continues to ratchet up the cost of government. If the people had the right to strike, maybe they wouldn't. Because they could consider the ramifications of the money they're losing, but it also forces the government to say, 'Wait a minute. We don't want to strike because we have to provide essential services.' Or services in general. Not just the essential ones. As somebody said, 'If we're not doing it, it's probably not essential in the first place. But we're doing it for a reason.'"

"I just want to make sure that my colleagues think about the fact we're not just representing the public employees. We represent all the people of Hawaii and it's our duty to protect the taxpayers' money also. So we really should be looking at

what we're doing and again, we're changing it without it ever being tried. Thank you, Mr. Speaker."

Representative M. Oshiro rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I rise in strong support of this measure. Just by way of background for edification of the Members, and maybe those who may be watching or listening in. Back in 1995, when I first got elected, we passed out through S.B. No. 1218, Act 208. At that time, it was at the end of the Waihee Administration, going in to the Cayetano Administration. And then, Governor Cayetano came to the Legislature and sought to reinstate collective bargaining for these same HGEA units today: 2, 3, 4, 6, 8, 9 and 13. And the reason why he came in during my first Session as a legislator was because he realized the tremendous cost to our community and all of us when there is a strike. And because of that, we amended a law so that we would not have any impasse, further strikes, that would impact our community. So in 1995, again my first year in office, we passed out the measure, Act 208, to reinstate collective bargaining.

"Through those years I've been here, I've been watching the different arbitration panels. I had a chance to review different arbitrational awards and reasoning and rationale therein. And Mr. Speaker, one of the things that I realized is that at the end of the day, according to Chapter 89, the final responsibility for any funding, and thereby approval of any arbitrated awards rest with this Body. So earlier this evening when I heard someone saying something about the 'purse strings' and the responsibility we have to maintain a reign upon those 'purse strings'. I take it very seriously, my role as a legislator. For this one function that we have as legislators to both open and close the 'purse strings'.

"In fact, Mr. Speaker, just about 48 hours ago, this Body under its authority of the 'purse strings' did do just that. If I can refresh the recollection of some of us, maybe two days ago, 48 hours, we did pass out SB 1443, HD 1, CD 1, regarding Unit 11 and these are firefighters. Mr. Speaker, we appropriated some \$65,000 in general funds for the first year, and \$156,000 for the second year. The record will show that it passed Final Reading with no one voting no, with one Representative excused.

"Similarly Mr. Speaker, again this Legislature showed its authority of the 'purse strings' and passed out SB 1444, HD 1, CD 1, again an arbitrated decision and arbitrated award, for Unit 9, registered professional nurses. It was a general fund appropriation for the first year of \$4.1 million, and second year of \$8.8 million. Again, Mr. Speaker the record will show that it passed Final Reading, as amended in CD 1, with none voting no, and one Representative excused. Mr. Speaker, I may stand corrected but I don't recall anyone standing up opposing either measure and the record shows that. So if anyone would stand here on the floor and say that we would relinquish our responsibility of the 'purse strings', I beg to differ.

"A second comment I heard here this evening is that the arbitration process leaves the Executive branch out of it. Nothing could be further from the truth, Mr. Speaker. It is the Executive Branch, it is the Governor's Office through the Office of Collective Bargaining and Managed Competition whereby the employer the State sits down with the employees' of the public unions to hammer out a contract. And just to again for the Members' edification, these past two awards went with the nurses and with the firefighters ostensibly, and they did get the approval of the Governor when she submitted to you, Mr. Speaker, on April 17th, the letter informing you of the final fiscal funding amounts for Unit 9."

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

Representative M. Oshiro continued, stating:

"It's dated April 17, 2003 and it's signed, 'Sincerely, Linda Lingle.'" The letter reads, impertinent part:

Mr. Speaker: Please be advised that a two-year arbitrated settlement including the amounts of the employer's contribution to the Hawaii Employee Union Health Benefits Trust Fund covering fiscal years 2004 and 2005 for Bargaining Unit 9, registered professional nurses, has been awarded.

"Mr. Speaker, a similar message form the Governor's office was also received on April 22, 2003, again it reads in pertinent part:

Dear Mr. Speaker: Please be advised that a two year arbitrated settlement has been reached covering fiscal years 2004 and 2005 for Bargaining Unit 11.

"I just cite these examples Mr. Speaker, that neither the Governor, the Executive Branch through the Office of Collective Bargaining and Managed Competition, or this legislative Body, is out of the loop or relinquishing any of its authority of the 'purse strings'.

"I also would like to point out Mr. Speaker, that when we passed Act 208, that basically brought back arbitration to these six units, we did so in May of 2001. And the reason why it's important for us to realize that Mr. Speaker, is because later that September, an event occurred that changed our reality, and changed our world, and changed our appreciation for government services and those who provide those services. That's September 11th.

"One of the things that one of my constituents seek in this uncertain time, in this era of terrorism, of uncertainty of regarding whether or not there is some contagious disease floating about, or whether or not the water we drink is safe, or the mail we receive is safe, is the continual maintenance of public services. When I get up in the morning, I know that the spotlight at the intersection is working. When I turn on my water faucet, I know that water will be clean. I know that when I call 911 operator, I know someone will respond. I know when I need an ambulance, that someone will be at the doorstep. I know that when I get on a plane, Mr. Speaker, and it's landing at Honolulu International Airport, that I'll be landing safely. That there will be people at the gates to receive me. These are all things that we used to take for granted Mr. Speaker, but no longer can we or should we. By reinstating 2, 3, 4, 6, 8, and 13, these units into arbitration, we assure the continuation in services to our community. We ensure the stability we need to have in these uncertain times.

"Mr. Speaker, three other points, and these are important. If the Executive branch believes that the arbitrator has been unfair, not followed the criteria based on the law, she does not need to approve it. That's the law. Number two, Mr. Speaker. All of us here have a choice. We can vote down any kind of pay raises. Number three, Mr. Speaker. Should the Governor find an arbitrated award to be unfair, and not fair to the taxpayers, she can veto it like any other measure. So Mr. Speaker, all the authority, the checks and balances are in place. And this is a proper measure for these times of uncertainty. It serves the public purpose, and we should all vote up on it. Thank you."

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

"Mr. Speaker, I rise in support of this measure. I've been a public employee for just a few months now, and I find the idea of shutting down government to be very troubling. All of us are here to do the people's work and we have to fulfill that responsibility. A strike has devastating effects on local businesses that need customers, as well as thousands of families that need a paycheck.

"And what about the tourist industry? As the Representative from Wahiawa states, a strike by airport agriculture inspectors could cripple travel to the State. And let's not forget about the radio dispatchers and the lifeguards who keep us safe. If we send them to the picket line, will we, as well as our tourists, feel safe?

"If we want the world to know that Hawaii is open for business, we have to ensure that our government is open for business as well. To me, I believe this measure is a fair way to satisfy the needs of both the employer, as well as the employee. Thank you, Mr. Speaker."

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

Representative Lee's written remarks are as follows:

"Mr. Speaker, I rise in support of SB768, CD1, a bill which would reinstate binding arbitration for several government employee bargaining units.

"The saga of which government workers are subject to binding arbitration and which are permitted to strike is a complicated one. However, the teachers' and professors' strike of 2001 and the nurses' strike of 2002-03 demonstrated just how disruptive strikes can be.

"SB 768 restores binding arbitration as the method for dispute resolution to several government employee bargaining units. While arbitration has its disadvantages, Hawaii's economy cannot afford the kind of disruption a government workers strike could cause.

"Of course, the State of Hawaii's economy also means that government workers must be cognizant of the fiscal restraints the State is currently under. Given the options, restoring arbitration makes sense.

"Mr. Speaker, mahalo for the time to address this important issue. I hope my colleagues will support this measure."

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

Representative Shimabukuro's written remarks are as follows:

"Mr. Speaker, I rise in support of Senate Bill No. 768, Conference Draft 1, Relating to Collective Bargaining.

"As the Vice Chair of your Committee on Human Services and Housing, I have grave concerns on how a public worker strike would impact the poor, the homeless, and the indigent. For those receiving State assistance, whether it be unemployment, disability, or other form of subsidy, it is imperative that they receive this assistance on a timely basis.

"If a public worker strike delays the processing of claims, many who currently live from paycheck to paycheck and rely

on public assistance to supplement their income may have to choose between feeding their children or paying their rent.

"This situation has the potential of increasing our already growing homeless problem, and vastly exacerbating the suffering and hardship of our most fragile populations.

"In addition, when this measure was heard by the Committee on Finance, the Honolulu Police Department testified in support of this bill. They told us that among the various public sector positions that would be allowed to strike were the radio dispatchers and mechanics. If these employees are allowed to strike, it will greatly diminish the Police Department's ability to protect the health, welfare, and safety of citizens, especially in rural areas like my district, which is at least fifteen miles away from the nearest police substation in Pearl City.

"Mr. Speaker, the police already have a difficult enough time meeting the needs of the outlying communities along the Waianae Coast. In the event of a public-sector strike, in my view, it would be impossible for them to cover this vast area.

"We cannot allow this to happen. We must take decisive steps to ensure that basic, fundamental government services will continue regardless of an impasse between labor and management.

"In my view, Senate Bill No. 768, Conference Draft 1, will do this because it will ensure that basic services will be preserved regardless of an impasse between government and their employees. More importantly, it will protect the interests of our people, especially those of the poor, the homeless, and those residing in rural communities.

"For these reasons, I urge my colleagues to support this important measure.

"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. 768, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO COLLECTIVE BARGAINING," passed Final Reading by a vote of 37 ayes to 13 noes, with Representatives Blundell, Ching, Evans, Finnegan, Fox, Jernigan, Leong, Meyer, Moses, Ontai, Pendleton, Stonebraker and Thielen voting no and, with Representative Wakai being excused.

The Chair directed the Clerk to note that S.B. No. 768, SD 1, HD 2, CD 1, passed Final Reading at 6:05 o'clock p.m.

S.B. No. 1462, HD 2, CD 2:

Representative Saiki moved that S.B. No. 1462, HD 2, CD 2 pass Final Reading, seconded by Representative Lee.

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

"Very briefly, in opposition. Because of the provisions that basically micromanage HTA, the Legislature made a bargain with the visitor industry, and when we set up this organization. We are only going to help them to grow if we let them function on their own. Thank you."

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

"Thank you, Mr. Speaker. I rise in opposition to this measure. My reasons were succinctly stated by the Minority Leader, but I'd like to add to them somewhat. We are not

exaggerating when we say that this measure micromanages the Hawaii Tourism Authority. All we have to do is read the description attached to the bill, and Mr. Speaker if I might be able to do that for the edification of those listening and viewing. Basically what this bill does, and I will read it straight from the description. It:

Requires the HTA to establish a Hawaii Tourism Registry of groups of state residents traveling out-of-state to market and promote Hawaii; modifies compensation package of executive director; allows HTA to appoint a sports coordinator; requires HTA to deposit moneys in the convention center enterprise special fund into interest-bearing accounts in Hawaii depositories; requires deposit in the tourism special fund all interest and revenues from any project or project agreement of the HTA; requires HTA to engage in certified public accountant to perform an annual financial audit of HTA; appropriates \$8 million for the HTA to respond to unstable market conditions etc.

"Again, from this, what we are talking about are many good things that they may do on their own. But instead of allowing them to be able to do these kinds of things on their own, we're micromanaging and saying, "You know what? We established the Hawaii Tourism Authority. We did this so we could allow professionals to make this decision. We did this so that those who have the most experience, knowledge and training in this are would do that," and we set up this HTA. And then we say, "From time to time, we are going to be passing bills like this detailing specific kinds of things that the Legislature wants you folks to do." I just think that however much I may agree with many things, that this bill says that when you create a body like this, that it is not helpful to micromanage. That generally if you want to truly create a body like this that will use their own good judgement and professionalism, and if you trust them to be able to use their expertise, then we don't pass measures like this. So for those reasons, I am voting no on this measure."

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

"Mr. Speaker, in support. This bill, above all, appropriates \$8 million out of the Tourism Special Fund to the Hawaii Tourism Authority to respond to the adverse affects of world conflicts, terrorism, threats, and the outbreak of SARS, and to strengthen the programs in operation of the Authority. Mr. Speaker, this bill makes several amendments that are very important for improving the operational efficiency of the HTA.

"It clarifies the existing law to make it clear that the Hawaii Tourism Authority may execute its contracts, and is required to give notice to you, Mr. Speaker, the Senate President, and the Governor, only on those contracts exceeding \$25,000.

"This amendment will allow the HTA to streamline its contracting, a process that now often takes up to five months because of the approvals that are imposed upon them.

"It also authorizes the Hawaii Tourism Authority to place its special funds in interest bearing accounts, until such time as the monies may be needed. It makes clarifying amendments to provide that the HTA shall deposit it funds in a depository, provided that the depository furnishes security as required by law and make disbursements from the accounts by checks. This will further improve the operational efficiency of the HTA. Currently it takes the HTA up to 45 days to have a check prepared to make its payments.

"This bill also increases the amount that the HTA can use from the Tourism Special Funds for administrative expenses, from 3.5% to 5%. With all of the requirements for accountability and measurable outcomes that were imposed on

the HTA last Session, it is difficult for the HTA to comply with these requirements with its existing resources. Increasing the limit on administrative expenses will allow the HTA to acquire the resources to comply with the legislative mandates.

Mr. Speaker, this bill also requires the HTA to hire a Certified Public Accountant to conduct an annual financial audit and to submit the audited financial report to the Governor and to Legislature. With the flexibility that this measure gives the HTA, S.B. 1462 also requires an annual audit and makes the HTA accountable for their actions.

"It also gives the HTA the authority to contract a Sports Coordinator and also requires the HTA to establish a registry of groups of Hawaii residents who plan to travel out-of-state to market or promote Hawaii as a tourist destination.

"Finally Mr. Speaker, if these provisions do not result in improving the operations of the HTA, S.B. 1462 provides that it will drop dead on June 30, 2006. This is an important measure and I urge my colleagues to support this."

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

"Thank you. Real briefly, in support. On behalf of the Committee on War Preparedness, we wanted to thank the Chair of the Tourism Committee and the Conferees who sat on this Conference and this bill. The \$8 million that we are providing HTA, the additional money for marketing, is a recommendation that came out of the Committee, and again on behalf of the members, we want to thank the Chair."

The motion was put to vote by the Chair and carried, and S.B. No. 1462, HD 2, CD 2, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII TOURISM AUTHORITY," passed Final Reading by a vote of 38 ayes to 12 noes, with Representatives Blundell, Ching, Finnegan, Fox, Jernigan, Leong, Meyer, Moses, Ontai, Pendleton, Sonson, Stonebraker voting no, and Representative Bukoski excused.

The Chair directed the Clerk to note that S.B. No. 1462, HD 2, CD 2, passed Final Reading at 6:12 o'clock p.m.

H.B. No. 512, HD 1, SD 2, CD 2:

On motion by Representative Saiki, seconded by Representative Lee and carried, H.B. No. 512, HD 1, SD 2, CD 2, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," passed Final Reading by a vote of 51 ayes.

The Chair directed the Clerk to note that H.B. No. 512, HD 1, SD 2, CD 2, passed Final Reading at 6:13 o'clock p.m.

H.B. No. 1152, HD 1, SD 1, CD 2:

Representative Saiki moved that H.B. No. 1152, HD 1, SD 1, CD 2, pass Final Reading, seconded by Representative Lee.

At 6:14 o'clock p.m., Representative Lee requested a recess and the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 6:14 o'clock p.m.

The motion was put to vote by the Chair and carried, and H.B. No. 1152, HD 1, SD 1, CD 2, entitled: "A BILL FOR AN ACT RELATING TO STATE FUNDS," passed Final Reading by a vote of 51 ayes.

The Chair directed the Clerk to note that H.B. No. 1152, HD 1, SD 1, CD 2, passed Final Reading at 6:14 o'clock p.m.

H.B. No. 1400, HD 1, SD 2, CD 2:

Representative Saiki moved that H.B. No. 1400, HD 1, SD 2, CD 2, pass Final Reading, seconded by Representative Lee.

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

"Thank you, Mr. Speaker. In support. Mr. Speaker, with the downturn of the economy over the last decade, the number one industry in the State, tourism, has taken a hard hit with the decline of visitors. To provide an incentive for hotels to upgrade their facilities in order to help entice visitors back, as well as generate jobs for another large industry construction, we passed the hotel renovation tax credit of 4%, which was then increased to 10% a couple of years ago due to 9/11. Our hope at that time was that barring any other unforeseeable events the visitor industry would be back on its feet again in mid-2003, and this special 10% incentive could be reduced back to 4%.

"Events have occurred which we could not then foresee that has hampered the recovery of the visitor industry, not only in Hawaii but, worldwide. We have had the war in Iraq, and now SARS, which has severely reduced travel to and from Asian destinations and certain parts of Canada. These have added to the unease that people have about travelling by air to long-haul destinations such as Hawaii. It is clear that it will be awhile before tourism rebounds.

"This bill extends the tax credit for three years at 8%, and reduces it to 4% for the following four years. The Tax Department has been adamant about not supporting this measure because of the potential reduced revenue loss to our general fund. An overview analysis of the hotel restoration credit by Mr. Joseph Toy of Hospitality Advisors, LLC and Dr. James Mak, Economic Professor at the University of Hawaii, points out that Department of Taxation did not include economic benefits resulting from the increase construction based on DBEDT multiplier effect. When applying the DBEDT's multiplier to the Department of Taxation construction estimates, the Department of Taxation's construction spending estimates would yield the following economic benefits to the State: \$807 million in business sales activities; nearly 7,300 jobs; and \$45.2 million additional State taxes, higher than the Department of Taxation estimated revenue loss. This is due to higher room rates and visitor spending.

"Mr. Speaker, construction spending is direct, can be measured, and occurs within the State. The majority of construction spending goes to labor cost, which immediately generates payroll, which in turn generates payroll and income taxes for the State each pay period. The commercial construction industry is a proven industry in the State. Jobs created can be easily measured. The vast majority of construction workers live on the island and spend their paychecks at local business establishments, which maintains jobs and generates general excise taxes. When construction jobs are completed, the assets and the jobs created by the assets remain in the State. The future spending that generates general excise taxes and TAT comes from outside the State of Hawaii.

"Mr. Speaker, hotels and resort retail are very labor intensive, which means that the revenues have a direct and immediate benefit to the community. Construction generates increases in the value of real estate, which generates higher real property taxes for the county.

Representative Thielen: Mr. I yield my five minutes.

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

Representative Chang continued, stating:

"Thank you very much. Which, by the way, the counties rely on those taxes as their principle source of revenues.

"Finally Mr. Speaker, the notion that long-term investment will only occur if visitors demand and spending increases. For instance, with or without the incentive of a tax credit, belies the adage, 'You need to spend money to make money. This is no more evident than in Waikiki where the lack of investment and steady deterioration of the hotel room and resort commercial product has in fact resulted in steady declines in visitor counts and visitor spending.

"The tax credit has played an important role in reversing this trend as documented in this study. The improvements that have been initiated since the inception of the credits have resulted in a demonstrable repositioning of our aging Waikiki product, resulting in a different and higher spending visitor mix. This Mr. Speaker, is precisely the type of necessary structural change that the credits are designed to bring. Thank you."

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

"Thank you, Mr. Speaker. I rise in support. Mr. Speaker, it was either in 1999 or the year 2000 that I was privilege to attend a conference in Florida on hotel financing that was put on by the Cornell Hotel School. We listened to financial experts from around the country tell us that it is very, very difficult to find money for investments in hotels.

"Mr. Speaker, you will remember that same year we passed out of this Legislature, credits of 5%, 10%, and 15%, depending on the investment for renovation tax credits. And at that time, let me add the name of another economist, Leroy Laney, who said that over the life of that bill, the extreme positive tax benefits to the State of Hawaii. I would also add to the Chairman of Tourism Committee, that not only are some Waikiki hotels getting old and tired, the industry in itself during the boom of the 60s and 70s needs significant rehabilitation and replacement into the world market to maintain our number one position. So I strongly urge the Members to support this bill. Thank you."

Representative Karamatsu : In support I will insert written comments.

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

Representative Karamatsu's written remarks are as follows:

"The hotel construction and remodeling tax credit in this bill will help stimulate our economy by bringing in new investment and improvements critical to the visitor industry. Specifically, in Waikiki, this bill will help revitalize old and worn hotels and make Waikiki a modern, state of the art location to visit. By upgrading and diversifying our product, construction jobs will be provided and visitors will be given new reasons to visit Hawaii.

"Thank you, Mr. Speaker."

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

Representative Jernigan: In support Mr. Speaker and I'd like the words of my colleague from the Big Island inserted into the Journal as my own.

The motion was put to vote by the Chair and carried, H.B. No. 1400, HD 1, SD 2, CD 2, entitled: "A BILL FOR AN ACT RELATING TO HOTEL CONSTRUCTION AND REMODELING TAX CREDIT," passed Final Reading by a vote of 50 ayes, with Representative Takai being excused.

The Chair directed the Clerk to note that H.B. No. 1400, HD 1, SD 2, CD 2, passed Final Reading at 6:22 o'clock p.m.

Conf. Com. Rep. No. 118 and S.B. No. 377, SD 1, HD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted and that S.B. No. 377, SD 1, HD 2, CD 1, pass Final Reading, seconded by Representative Lee.

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

"Thank you, Mr. Speaker. In support. Mr. Speaker, let me start by describing what this measure does not do. One, it does not bail out a failing resort development. Two, it is not a hand out. Three, it is not a loss or reduction of revenues that the State is now enjoying. Four, it is not just about development of an aquarium.

"What this measure does Mr. Speaker, it proposes a creation of a world-class oceanfront aquarium, marine science and mammal research facility, international sports training complex, travel industry management intern camp, and the acquisition and operation of the Makaha Resort as a hotel and resort training facility, to include training for operations, sales, marketing, management, and other aspects of the visitor industry.

"This measure will be a catalyst in the further development of the Ko Olina Resort, which is a major force in the revitalization of West Honolulu, especially the Leeward Coast. It will mean thousands of construction and permanent jobs, and will play a vital role in the regeneration of Oahu's tourist economy. This measure means development of Ko Olina as a compliment to Waikiki.

"It means additional visitor attractions for Oahu visitors, and additional new hotel flags, and more direct investment in the Hawaii economy. It will result in new hotel, timeshare, condominium and residential projects.

"This measure means more jobs for our people particularly our residents of the Leeward Coast, preceded by real, hands-on education and training in all aspects of the visitor industry.

"In plain numbers, this measure means \$750 million in immediate new construction, 10,000 new construction jobs, 2,100 permanent jobs, \$186 million in new tax revenues. For all these reasons Mr. Speaker, I urge my colleagues to support this measure."

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

"Thank you, Mr. Speaker. I stand in strong support of this measure. Mr. Speaker, first I'd like to ask that the remarks of the Chairman of Tourism be inserted in the Journal as though they were my own," and the Chair "so ordered." (By reference only.)

Representative Pendleton continued, stating:

"Mr. Speaker, I have long supported this particular tax credit. You recall a previous Session when we strongly supported it and of course, we were disappointed when it didn't move past the Legislature, or didn't move beyond our branch of government.

"This measure, as the Chairman of Tourism has said, is not about a revenue loss, or about a handout. It is really about investment. Investment in jobs. Investments in the kinds of tourism attractions we have that will draw people from out-of-state and out of the country. Mr. Speaker, this measure is not about special interests, but about the special people we have throughout Hawaii, and especially on that particular coast of Oahu.

"Mr. Speaker, I spoke to a number of people, different people, development people, tax people, economists, about this particular measure in a previous Session when we were wrestling with this. Most recently, this year, my thinking on this issue was confirmed, and the previous vote that we had was confirmed by a number of people, and a number of conversations that I have had. This is a measure which we need, which is good, which is a win-win measure.

"One of the people that influenced my thinking and confirmed that my vote previously was the correct one, and that we ought to continue to pursue this. One of the people I spoke to was the Governor, and she also has spoken publicly about this measure. Mr. Speaker, I remember out at the Marriott Ko Olina Beach Club, last month on April 9th, she gave some remarks concerning this. I found her remarks to be insightful, helpful and instructive, and if I may I'd like to share a few quotations from her remarks that I found particularly helpful, and I think ought to be part of the record. Mr. Speaker, she said, "To further help spur economic opportunity and expansion on the Leeward Coast, I have put my full support behind the Ko Olina Tax Credit Proposal." Again this is quoting our Governor, Linda Lingle.

"This tax credit is different from others because we know that specific amount of the tax credit and what the impact to the State budget will be. The proposal would cost the State \$7.5 million dollars per year, over 10 years. It is a known amount so the State can plan around it, unlike other tax credits where the cost to the State is unknown until after the credits are given out. I support the Ko Olina tax credit," says the Governor, "With the promise by the Ko Olina Development to fund meaningful training opportunities for residents on the Leeward Coast."

"I understand that the Ko Olina Development has partnered with the Harry and Jeanette Weinberg Foundation to purchase the Makaha Hotel to serve as a training center. We are also encouraged that the Weinberg Foundation, which owns land here, is working cooperatively to assist in the master plan for this community."

"So in short and in closing, Mr. Speaker, this is not just about some corporate give away. This is really a fantastic partnership bringing government and the private sector together and to invest in our State, in our community, and in the kinds of attractions we can have here that will draw tourist from around the world. We really are talking about building a world-class attraction out there. Something that will draw people to want to visit here and will provide meaningful jobs and training

opportunities for people on a part of Oahu that really has been unfortunately neglected in the past. Now I think there will be a lot more hope there and a brighter future for all of Hawaii because of this legislation. So I strongly urge my colleagues to support this measure. Thank you."

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

"Thank you, Mr. Speaker. In support. First of all, the previous speaker said much of what I'd like to say. I'd like to have the words of the Tourism Chair and my colleague from Enchanted Lakes incorporated as my own," and the Chair "so ordered." (By reference only.)

Representative Moses continued, stating:

"And I'd just like to stress again this does help the overall tourist industry. It does create thousands of construction jobs, temporary jobs, but it also creates hundreds and hopefully, thousands of permanent jobs once these facilities are built. And these are jobs for mainly the depressed area of Leeward Oahu. The training opportunity that this bill will provide helps gets these people that many have felt like they've fallen out of favor in the State. They see no opportunities. This will provide them the training necessary for them to have meaningful, purposeful, jobs and to provide aspirations for them to move onward and upward. These are obtainable jobs for them. Something they can actually learn how to do, and do well. And these people are not the kind of people that don't want to work. They want to work there just isn't any work available. This will give them the training so they can get jobs. The dynamic impact of this measure is tremendous, Mr. Speaker.

"Again we are not going to lose any money. The State can't lose money giving a tax credit of this nature because if no taxes are due, there is no income to the State. This is only a credit on taxes due. It will really boost that end of the island and I hope that someday, all my colleagues will start having luncheons in Leeward Oahu instead of always in Waikiki, not to denigrate my dear colleague and friend here from Waikiki. But we should have these opportunities on both ends of this island, and eventually we can also help our Neighbor Islands. We can't forget them.

"This is a great opportunity. I think we all supported it in the last Session. It just didn't make it all the way through. This time we are going to do the right thing and I thank all my colleagues for their support."

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

"Mr. Speaker, in support. Mr. Speaker, I represent a very, very large district. Three-quarters of it is economically depressed, much as Waianae is. I would certainly welcome this sort of investment in my district and I certainly support the people of Waianae.

"I also strongly support the training facility and I would hope that in this training facility that they not only train just for the rank and file jobs, but they make a serious, serious effort to train for the supervisory and management positions. I have long been distressed at my industry for importing top level management, because I think it has deteriorated the aloha spirit and the Hawaiianess of our hotels. If I may take some personal pride, when I managed the Kona Surf, we had the reputation of being one of the friendliest hotels in the State of Hawaii. And that was because 95% of my supervisors and management were local people. And I would urge the developers there to please keep that in mind. Not only to train the people in the area for the jobs at the rank and file level, but please, please train them

to upgrade into management and supervisory positions. I support the bill."

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

"Thank you, Mr. Speaker. In strong support. Thank you, Mr. Speaker. On behalf of myself and the Vice Chair, the very pretty Representative from the 45th district, we really appreciate all the kind and compassionate words that have been spoken by previous speakers about our coast. As you all know, the Waianae Coast is a poverty stricken community and we welcome this investment and we also encourage that this investment will help the residents and benefit them. A community that has no hope, no training available, we welcome this.

"The training will consist of management, as the previous speaker was talking about, as well as high level positions besides entry level. You know Mr. Speaker, although I don't sit on any of the Committees that heard this bill, I really appreciated the discussion in Caucus. I appreciate some of our colleague's concerns. And some of the concerns that they had were that they didn't see any insurance that the people that will be hired would be from the Waianae Coast. But you know, we are really proceeding because we have a deep trust and compassion in the developer, and that we do see our local people working right now in the ventures that this developer has taken. Although we don't see insurance that the community is involved, the community has been involved. And we have seen that in just the display of the developer.

"They also brought up some concerns about Weinberg, that they would buy out the Makaha Sheraton. It is because it is a ready-made school training site, and we can get training going right away, even without those specifics in the bill, and without holding the developer to hire Waianae Coast people. There is a firm commitment from Weinberg.

"And even without a business plan, I want to remind my colleagues that this is a non-refundable tax credit. In other words if the developer does not spend within the economy, he cannot take the credit. So as according to the DBEDT multiplied formula, if the whole total \$75 million tax credit is taken as estimated, 2,000 permanent jobs will be created, as well as 10,000 construction jobs.

"But Mr. Speaker, I want to conclude by saying that this speaks about the tragic systemic financial problem the State faces. For 9 years I've been saying that there is no money, there is no money. And this is the kind of vehicle that will help to stimulate the economy, and I hope everyone would support it."

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

"Thank you, Mr. Speaker. I'd like to incorporate the remarks of the Tourism Chair as my own, in support," and the Chair "so ordered." (By reference only.)

Representative Mindo continued, stating:

"Any measure that will create jobs, I am for it, Mr. Speaker. And who knows, the workers, they might be able to organize them. Thank you."

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

"Yes, Mr. Speaker, thank you very much. I am speaking in favor with a minor caveat. First of all, I think this is a great

project and well-needed for the Waianae Coast. Mr. Speaker and Members, the only caveat that I have is the way the Department of Taxation handled this.

"The Department of Taxation has come up and almost threatened to state that H.B. 1400 would be vetoed because of the revenue loss. But not at one time did they ever mention the potential revenue loss. Believe me, I am not opposed to Ko Olina. I just want the record to show that I believe that the Administration and the Department of Taxation should be fair in the assessment that is made between the various projects, Mr. Speaker.

"And furthermore Mr. Speaker, I wish to have the remarks of the Chairman of Tourism as my own. Thank you," and the Chair "so ordered." (By reference only.)

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

"Strong support. Mr. Speaker preserving the Makaha Inn as a visitor training center as this bill envisions is critical to the survival of the Waianae Coast and its well being. The Inn employs many Waianae residents and it is currently in bankruptcy. Keeping it open will preserve the precious few jobs that are available close to home and avoid the devastation that occurred when the Inn closed several years ago.

"Mr. Speaker, a third of Waianae's residents are on welfare. In order to change, this job training of any kind is desperately needed. Waianae residents need this job training so they can compete with the rest of the island. I have met with the developer and he has told me of his love for the people of Waianae and his desire to help. Mr. Speaker I know that at least one of my constituents is employed in a management position in Ko Olina, and I look forward to seeing more Waianae people in leadership positions at the resort. Because you only truly help people when you empower them."

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

Representative Tamayo's written remarks are as follows:

"Mr. Speaker, I rise in strong support of this measure.

"As a Leeward resident and Representative, I and many others who live in the area, can see how much this project will benefit an area that has been neglected and pushed aside for far too long. What excites me about this project is not only will it create thousands of jobs and provide great economic stimulus to a community sorely in need of it, but it provides for job training for those who under normal circumstances have no access to such training and education.

"For those who have doubts in the developers as to whether they will keep the promises they are making to our leeward community, all I can say to these people is to look at the track record of these same developers. Their actions speak louder than words. They have hired our local people. They have provided a stable environment for our working people and our visitors. The bottom line is, they have provided good quality jobs.

"This bill is not only an investment in the economy of our entire State by providing a first-class attraction, but it is a very important investment in a community full of very capable and hard-working people who would jump at such an opportunity as this."

Representative Kaho'ohalahala rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I rise in opposition. Thank you. We've listened to a lot of good reasons for supporting this particular project. I want to just state upfront that my position to not support this has nothing to do with those great promises. It has everything to do with assuring those promises. And I think that, that is what has been lacking in this bill's movement.

"When we sat in the Finance Committee, and the developer came forward and talked about this particular project. I come from a community that is currently in transition; where a plantation is now being told that the only real opportunity for employment is to move into tourism. So today, Lanai grows no food. We are all employed in the resort development area. And the promise made to the community was that here is where we would take care of a community in the transition, and we would provide them with some of the best jobs and that this industry has. All the promise for our future.

"If you go back to Lanai today, and take a look at where these people are today, and it is this caution that I bring to the forefront and therefore question the developer in this particular project at Ko Olina, and ask some very simple questions. When you come forward and you describe this project as one that is going to provide jobs. You said 10,000 construction jobs, 2,000, and today I heard 2,100 permanent jobs. My question to the developer was, your premise is that you are going to take care of the Waianae Coast or the Leeward Coast community. Can you assure that they will be the people who are in fact going to be receiving those 2,100 jobs now, I suppose. The answer was, "No."

"Secondly, I said, "Can you describe what these 2,000 jobs are? Are we talking about good high paying jobs that are going to allow these communities and these individuals to really make a living?" The answer was confirmed not in the hearing, but outside in the corridors by the developer, and they said, "No, these will not be the best paying jobs. Because we are talking about service industry jobs." So again, all the statements made earlier today about making an investment in jobs. Invest in our State and our community, meaningful jobs, purposeful jobs.

"This is a project that at least we know one thing. That we are going to contribute \$7.5 million dollars each year, for up to 10 years. So a total of \$750 million dollars we can say it is a known. The only thing that is unknown is that whether or not these jobs in fact are going to go to these people in the Leeward community. Therefore I have a difficult time trying to support this unless the developer comes forth and makes those assurances. I've lived through it. Our community is an example of that along with many other communities that have been in transition, from plantation to resort development. I think when you talk about these wonderful, wonderful opportunities.

"I want to bring forth just another statement that was brought in the discussion in Finance. I talked about *The Devil's Bargain*. *The Devil's Bargain* describes the tourism industry. It talks about its movement and its creation throughout America. There are a few known things that we have to take into serious consideration here in the State of Hawaii about the 'devil's bargain'. And it says, if we choose tourism as our industry, there are a few givens and knowns that we must accept.

"The first is the original attraction to the place, and in this case the original attraction to me, is Hawaii. That will be changed. Secondly, in *The Devil's Bargain* it says when you accept this industry, the jobs that are normally provided in this

industry are not going to be the best paying jobs. Look around and you'll see in Hawaii what that means. That we have people in this industry that work, not one job, but work two and perhaps three jobs in this industry, to make ends meet. And you add to that now two working parents in a family, both working two to three jobs."

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

Representative Kaho'ohalahala continued, stating:

"Thank you. Then I say we are right on track with the 'devil's bargain'. The other thing that is known is that in this industry. When there is no more profits to be made, the owners pick up and they go elsewhere. Where do they go? They go to that new place, with the new attractions, that has not yet been destroyed. And what do they leave in place? They leave communities that have no more to do in an industry other than the menial jobs to begin with, and are going to be impacting communities much more than they had realized.

"So I think because of these things, I am standing up here today, not in opposition of this. I am standing up here today to understand what we as policy-makers have as responsibility in this industry. And if we know that the 'devil's bargain' has givens, then we should be here working to redirect it. We should be here working at making sure that these things do not occur because they have occurred in this industry from the time it was started until today.

"So therefore, I rise in opposition with this bill because I have no assurances in trying to redirect the bill by getting the developer to guarantee that the work that is being described to be created will in fact go to the Leeward Community. And that the jobs that are being provided are not going to be those menial jobs that are not going to really help the economics of the people who are already depressed. So for those reasons, I hope that this Body understands what our responsibility is in an industry. We must be innovative. We must be creative. But we cannot continue to go on the 'devil's bargain' track and that is the reason why I oppose this."

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

"Mr. Speaker, I would like the words from the Representative from Lanai, and I speak in opposition," and the Chair "so ordered." (By reference only.)

Representative Hale continued, stating:

"Because I think what the Representative from Lanai has said has been what we on the Big Island has seen. In my many years in local government, I have seen many developers come in with all kinds of promises to give jobs to people, particularly when our sugar industry went down. We don't even grow any sugar on the Big Island any more. That guaranteed jobs. And now we come to 9/11. We've come to the War in Iraq. We see the tourist industry going down, and I just don't think that we should be encouraging the tourist industry at this time.

"We should be looking toward diversifying our economy and creating jobs. Creating an educated a workforce that can create entrepreneurial jobs for people. We should be beginning to feed ourselves, and not try to feed the world. And I don't, I can't, go along with these vague promises that are not in any kind of form to guarantee that these things are going to happen. Thank you."

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

"Thank you, Mr. Speaker. In support. Mr. Speaker, a lot of good things have been said about specifically, what this credit provides and what this project provides, and I don't think I could do as good a job as saying all those that have already been said. But I would like to address the larger picture of tourism in Hawaii. While I agree it is good that we diversify our economy, I strongly disagree with the concept that our relationship with tourism has been a 'devil's bargain'.

"Mr. Speaker, I grew up on Maui and from the whole time I lived on Maui, as I grew year by year, the population on Maui decreased. It had less and less every year. In the early 1960s, there was an investment in Kaanapali. At the time it was one of the best resorts in the world, and still is today an excellent resort. Mr. Speaker, that resort development turned Maui around. It turned our economy around. We went from a county with a declining population to a county with an increasing population. The impact on me personally, Mr. Speaker, is when I got out of high school 1969, college, and beyond, if it was not for Kaanapali, if it was not for the investment in tourism, I would not have returned to Hawaii. I don't believe I would have had a job.

"I had the good fortune of getting a starter job out of school with the Royal Lahaina Hotel, which was an education, but to me more important was the opportunity to stay where I grew up. Mr. Speaker, the tourism industry has been good for Hawaii. I do agree that we should diversify, but 'devil's bargain', no sir. The tourism has been a boon to Hawaii. Thank you."

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

"In support, Mr. Speaker. First of all, I'd like to request that the words of the Representative from Hilo and Maui be incorporated into the Journal as my own," and the Chair "so ordered" (By reference only.)

Representative Sonson continued, stating:

"I am really saddened to hear the stories of the Representative from Lanai, and if that has happen to his community, well shame on those people. I hope that will not happen to us. But I for one, I always look at the positive things. I do not look back and say, "You know, you have messed up once." I hope it is not the same person. Because I believe in this adage that says, "Fool me once, shame on you. Fool me twice, shame on me." I learn from mistakes.

"In this particular case, I don't think that the Representative from Lanai is stating that this is the same person that messed up his community. That it is the same person that was really mean and cruel to the people of Lanai or the people of his community, and made promises that were broken.

"But I don't think that we should look at this particular situation as the same situation. We have different players, different people. In particular, the people here that will be directly affected are not the people from Lanai, but the people from Waipahu, Ewa, Makakilo, down on to Waianae. Although we are talking Waianae, I say Waipahu because you know Mr. Speaker, I think it is well known that a lot of people from Waipahu go to Kalihi ... Not Kalihi, but what is the place where all the hotels are called? Oh yes, Waikiki. I take the Kalihi bus all the time and so I get all confused. But you know, Kalihi and Waipahu people, they are all the same. They all go to Waikiki because they like to work.

"And you know, Mr. Speaker, they say those jobs are menial jobs and low paying jobs. I can honestly tell you from personal

experience, those are awesome jobs. They have awesome pay, but not if you compare it with, probably if you compare it to the kind of work and the kind of pay in other places, or the kind of pay that somebody that goes to college for 4 years of education, maybe a professional degree. Yes, we cannot compare those. But I am really thankful that there will be jobs. Any kind of jobs. Maybe 1, 2, or maybe 3. It doesn't matter. As long as the community will benefit.

"Although there are no promises made by the developer in this case, I don't think the questions were fair to begin with. How can anybody answer positively, to questions like, "Are you going to guarantee that these jobs will be the highest paying jobs?" Maybe you are asking the wrong person, Mr. Speaker. How can you guarantee that these jobs will be filled by people from Waipahu, Ewa, Waianae? How can you guarantee? How can somebody honestly answer that, yes? If you are answering yes, then you are lying. There is no way that you can guarantee that unless you specifically write it out in a contract and this is not what we have.

"We don't have a contract here, but what we have here is hope. What we have here is something that we can change. What we have here is a developer that is willing to take a risk in this community. And this community that I am talking about is Waipahu all the way down to the coast. They are also willing to take the risk. I think the developer is listening to us. If I am not mistaken, he is over there on my right side. He is going to be listening to all of our concerns. He is listening to objections of the Representative from Lanai. And you know, the Leeward Coast is a whole bunch of us Mr. Speaker. The Leeward coalition, the Representatives from that area. We are all in this together. If you are going to actually hold the developer in this particular case, who is really listening. For the record, it should reflect that he is listening and that he knows the concerns of those people who got messed up, for lack of better words, on the other islands and other communities.

"We don't want that to happen to Waianae, Waipahu, and Ewa plane. Ko Olina is a hope to us. We are looking at it as something we could look forward to. Something that we could look forward to for jobs for the people in our communities. Something that if we do get those jobs, and we are qualified for the jobs, I hope that he will hire us. Thank you, Mr. Speaker."

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

"Mr. Speaker, I rise in opposition to this measure. Mr. Speaker, I send out a hearty congratulations to those on the Leeward Coast because you are about to get a tourist attraction and a multitude of jobs. My sympathy goes out to the rest of the State because lawmakers are about to squander your taxes on this project.

"I am not against Ko Olina, but I oppose the way this development is being financed. As responsible stewards, we should be extending a special purpose revenue bond. But we are not. The developer wants a \$75 million handout. Since when did the State become a safety net for multi-million dollar corporations? Tax credits should benefit an industry or broad spectrum on the community. This one only benefits the developer.

"You don't have to look far to find a shining example of a tourist attraction that thrives without any government assistance. Just down the road is an \$18 million Hawaiian Waters Adventure Park. The owners invested another \$4 million since opening in 1999. The facility now employs 210 people, and that figure goes to 350 during peak periods. The water park has never asked for a government handout. They

are making money the old fashion way. They are earning it. But think about this. The water park is utilizing 25 of its 30-acre lease. If they want to expand next year, how can we possibly deny them a tax break? You can see how we are opening up Pandora's box for tax credits here.

"And listen closely to those who support this tax. They only speak about the residual benefits of jobs, and revenues. I have never heard of a justification for how this project is being financed. Most importantly, the developer has said he will move forward with this project with or without a tax credit. So why the rush to force taxpayers to become investors in this project?

"I like the idea of an aquarium and a training center, but this is a capricious way to spend our tax paying revenues. Passing this bill sets a very terrible tax policy, one which we'll be paying for the next decade. Thank you, Mr. Speaker.

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

Representative Morita's written remarks are as follows:

"Mr. Speaker. In these difficult times our State has limited resources, these resources should not be directed to a sector of our economy, that is tourism, that continue to make our State vulnerable to outside forces beyond our control. Tax credits should be focused on objectives that diversify our economy, help to build sustainable communities and create permanent jobs that pay a living wage. I do not believe this tax credit will move our State closer to these objectives.

"Mr. Speaker, I would like to submit for insertion the Journal an article which appeared in *Hawaii Business* magazine by former Governor George R. Ariyoshi entitled, "The Ko Olina Tax Credit: Why is the Public Silent?" Governor Ariyoshi captures exactly what is wrong with the Legislature and Administrator's logic in supporting this tax credit.

"It tells us something that the bill is co-sponsored by one of the most liberal legislators and one of the most ideologically conservative. To me, this reflects the intoxicating way that tax credits are thrown at social problems (such as unemployment in Waianae) on the one hand, while advancing business schemes on the other. These impulses of left and right hold sway in the absence of clear thinking and strong action by the bipartisan center."

Hawaii Business News
April 2003"

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

"Thank you, Mr. Speaker. In support, and I would like to ask that the remarks of the two Representatives from Waianae as well as the Representative from Enchanted Lakes be incorporated as my own," and the Chair "so ordered." (By reference only.)

Representative Ching continued, stating:

"I was very moved and persuaded by some of the comments by our Representatives from Waianae. And what it occurs to me is that when I look at this issue, and a statewide concern because I am not from Waianae, although I frequent there on occasion. We are fighting a war on crystal meth that is so pervasive, so strong, and my thoughts are that the direct link of poverty and lack of any jobs, even well paid or not, well paid

on certain people's standards or not, are direct contributions to crystal meth. I know that a number of the property crimes, and worst yet, some of the more heinous crimes being done in urban Honolulu are not always ..."

Representative Kaho'ohalahala rose to a point of order, stating:

"Point of order. I don't believe that the bill before us is a drug bill, and I think that the speaker is going into areas that have not been part of the bill."

The Chair responded, stating:

"So ordered. Representative Ching, could you confine your remarks to the bill before us."

Representative Ching continued, stating:

"Certainly. Thank you. My concern is that statewide, that we look at economic policy that helps our communities. But as to the two concepts that our Representative from Lanai brought out on jobs ..."

Representative Kaho'ohalahala rose to a point of order, stating:

"Point of order. I am the Representative from the Island of Lāna'i."

Representative Ching continued, stating:

"I sincerely apologize. Lāna'i, sir. I apologize. It is not necessarily exclusive to have hotel jobs and not to have other jobs in other industries, perhaps such as agriculture or high tech. They can both be promoted. However, I disagree with the concept that beginning in the hotel industry does preclude you from having higher and more meaningful entrepreneurial jobs. I can think of a number of our restaurateurs who are famous throughout the world for the Hawaii regional cuisine who had their, perhaps, humble beginnings in the hotel industry."

"Then as to the sense of place, I feel that it is our job as Representatives, that we be vigilant, diligent, in guiding our tourism industry but that we not need fear losing our sense of place. There are places such as San Francisco, which for a hundred years or more have defiantly, I think, preserved their charm and attractiveness in a unique sense of place, as well as places such as Rome, and Paris, that for thousands of years continue their charm. So I think that it's just up to us that we make sure that we preserve our sense of place. It is up to us to make sure that we take humble beginning jobs and make something of the experience to make them eventually successful careers, and I feel that this is the step in the right direction with this tax credit. Thank you."

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

"Thank you, Mr. Speaker. I rise in opposition to this measure. Before I speak a little bit about my concerns and the reason I am voting against it, I'd like to apologize to some of the people that I originally said that I was going to support this. But you know, this bill looks very different from the one that we had talked about just a few weeks ago. As a matter of fact, the provision to acquire or own the Makaha Resort just jumps out like a sore thumb."

"As your Chair of Higher Education, I am just blown away by this provision because you know, we have great institutions of higher learning in our communities. And one of the things

that I'd would have liked to see is that, that money, approximately \$7.5 million, going to our University of Hawaii. I think Leeward Community College, UH West Oahu, could have used \$750,000 each year for the next ten years. I think they could have developed, or could still develop a program, an excellent program, to help train these workers. I would hope that if this bill goes through, that the developer and the people working together on this Makaha Resort Training and Educational Facility would still consider using the expertise of our University of Hawaii System."

"In addition Mr. Speaker, one of our colleagues mentioned the old adage, 'Fool me once, shame on you. Fool me twice, shame on me.' I'd like to bring us all back to about 18 months ago when, immediately following 9/11, the Legislature took up a number of measures. There was this measure, H.B. 13, and S.B. 13, that included the provision to reduce the amount of money going into the Tobacco Trust Fund for the sole purpose of providing monies to build the UH Medical School. I said then, and I say today, that one of the things that we did not do then, and we didn't learn is, that we didn't put provisions in the bill that specifically outlined the commitments made verbally to us as Legislators."

"First of all, job creation. There is no mention of job creation in that bill. No mention of job creation in this bill. Now the preamble has job creation, but in terms of the tax credit, there is no direct connection or nexus between the tax credit and jobs. Problem one."

"Problem two. In regards to University of Hawaii's Medical School, there was a commitment in terms of the University generating matching funds of \$150 million, and to this day, we've been told the University has generated only half a million. I think we should have learned. We should have learned after that experience, that if we are going to provide money, \$75 million; \$7.5 million over ten years for each of the next ten years, we should have learned that we should be putting those types of provisions in this measure and they don't exist. I am very disappointed because we don't have the assurances that these jobs will be created."

"I am also a little disappointed that the prevailing wage provision was removed, and we talk about construction jobs. I think we talk about jobs that we would like to provide our residents with. Good paying, solid, construction jobs. This measure as it stands before us today, does not include that provision that would have ensured that. I have many, well not many, a few more objections, but those are the main ones. Thank you."

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

"Mr. Speaker, in support. Mr. Speaker, looking at the big picture, this Ko Olina tax credit, and our hotel construction and remodeling tax credit will help modernize our tourism industry to be competitive as a global destination. While we are encouraging the diversification of our economy through Act 221, which encourages development of our knowledge based industries, we must not also forget our number one industry, which is tourism. We must do what we can to maintain this industry so we can bring back and attract the tourist that have become before, and who will come in the future. Thank you."

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

"Thank you very much, Mr. Speaker. In very strong support for all the words previously expressed by those who spoke in support, but additionally some quick comments."

"We need to remember that is a non-refundable tax credit, which means that the State will benefit only upon the success of this endeavor. It would mean that this entity would be making money such that they would pay taxes. Which means that it would become the economic generator that we hope and we expect that it will become, such that those additional funds can pay for some other benefits and some of the things we want, including higher education.

"It is mentioned also by some of the opponents, that the promise of a visitor industry resulted in the collapse of certain activities such as pineapple and sugar cane. I would submit that the collapse of sugar cane did not result from that promise, but from the economic times that we experienced. And that gave us a crop, in most locations, that was just not viable. So it was not because of unfulfilled promises. It is hard to say that it was the unfulfilled expectations as a result of that promise, but rather the economic times that we're experiencing, and that all islands and all visitor destinations are experiencing that economic times and have not produced the tourist that we expect. And hopefully some day that will occur.

"Reference was also made that this could be funded through a special purpose revenue bond. Just for the record, there are seven specific activities that qualify for special purpose revenue bonds, and the construction of a visitor resort or hotel does not qualify as one. I could mention what the seven are, but I shall not do that. I do believe, Mr. Speaker, that this does offer great economic benefits and if it does not, it means it would not have paid, and not lost any monies because it would not be the tax credits given because again, this is a non-refundable tax credit. Thank you."

At this time, the Chair stated:

"The Chair will entertain just two more speakers because we have had a lot of debate on this particular issue, and I think all of you would agree. So I will recognize Representative Meyer, and then Representative M. Oshiro And Representative Waters, if you would like submit written comments in the Journal, you can stand up. But those are the only two that will be able to speak in finalizing this particular measure. Please proceed."

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

"Thank you, Mr. Speaker. I rise in strong support of this measure. The reason I was enthusiastic about this when we first passed it last year and again this year, is because Ko Olina is a very well planned resort area. It has already proven itself successful in the beautiful hotel there. The gorgeous coast, beach areas, that they have developed and the really first class marina, and they have many, many more acres there waiting to be developed.

"One of the problems in Hawaii has been getting a project from the first time you thought about it, you bought it, and then getting the land approval and all those things take so long. That is what raises the cost of the subdivision or a hotel. The cost becomes much higher than what they originally envisioned because of the time it takes to get there. At Ko Olina we have an entity that is ready to go, so these construction jobs could come online much quicker than many other areas.

"The other thing that I think is good it is not like we are just giving a tax credit to create a hotel and maybe these jobs. You know, you are going to have jobs if you build another hotel. In addition to that, the developer is going to build a world class ocean front aquarium. The State has been wanting to do that, I think, for as long as I've been in office, which is nine years now. And we still haven't done anything on that. Here we

have a developer that is going to do it, and also build a marine science and mammal research facility and an international sports training complex, in addition the travel industry management intern campus. Unlike some of my colleagues, this doesn't bother me.

"If you are looking for training and jobs for the people on the Leeward Coast, here we have an operating hotel, that has tennis courts, that has swimming pools, kitchens, dining rooms, a golf course attached to it. All the things that most hotels have. So you have a very unique situation where people can learn the hotel industry actually be running a hotel as their learning. And when a new hotel is built at Ko Olina, you would have a huge group of people that are already well trained to move into those jobs.

"And as far as this ocean front aquarium, it will be built. We won't still be arguing where, when, what will it look like. It will be built and after 17 years, the State and the people of Hawaii will benefit because half of the income of that facility will go into the general fund. So it's not like we are giving away a tax credit for nothing, as my colleague from Kauai said. This is a non-refundable tax credit. So its not like we're just giving money away. The developer has to be making money in order to take the tax credit. The exciting thing is that we can get the construction business going we'll have architects, you'll hire people for the travel industry school. There are just a lot of exciting things that can happen within a fairly short period of time and we need that kind of stimulus for our economy. Thank you, Mr. Speaker."

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

"Mr. Speaker, I rise in opposition to this measure. Before I proceed any further, I'd just like to state for the record that I have the utmost respect and aloha for the two fine Representatives from the Waianae Coast, and Nanakuli and Maili. They are probably two of the hardest working Members of this Body. And the Waipahu delegation. In fact Mr. Speaker, all of the Representatives from the Leeward Coast that have stood on this floor and who have been such strong proponents of this project.

"I come from a community that faces similar types of conditions of social problems regarding unemployment, rampant drug use, single family homes, and probably on the census level, a disproportion number of single parent households, and households receiving MedQUEST, food stamps and AFDC. So I understand the need for good jobs, for hope, for both. But my concern Mr. Speaker, as your Chair of Labor and Public Employment, is the representations and promises that I do not see in the bill before us.

"Briefly in Section 1 it talks about how the Ko Olina Resort and Marina will bring extensive economic benefits and result in, "in the creation of thousands of construction and permanent jobs." And I think that to be true, because over a ten-year period of time on this development you will indeed have thousands of construction jobs. And it will benefit all of the brothers and sisters in the trades and generate tremendous amounts of monies circulating in our economy, and that is good.

"My concern Mr. Speaker is with the permanent jobs and I have heard a number of 2,000, or 2,100. What kind of jobs are we talking about? If the speaker from Lanai is correct, we could be dealing with minimum wage positions. We could deal with people who are manicuring the lawns. We could be dealing with people folding the towels. We could be dealing with people who are cleaning up after our mess. Those are the kinds of jobs that we are going to benefit this multi-national

corporation, who Mr. Speaker, unlike us, are not beholden to the people of Waianae, Nanakuli, Maili, Waipahu, Ewa Beach, and the entire Leeward Coast, but to their shareholders. Those investors who look to the value of their stock and their interest on what is reported daily at the stock exchange. That is who they owe their duty to.

"Mr. Speaker, I hope this project works because my comments today will not do anything to deter anyone's vote this evening. This measure will pass. But in my respect to my colleagues, I would like to play the role of the devil's advocate and put a challenge out there to the developer and to the Governor. Ensure that the representations for good jobs are delivered. Ensure that meaningful training opportunities are given to the people of the Waianae Coast who desperately need this. Ensure and deliver all these promises because if you don't, I will be watching. We all will, and we'll come back. Future legislators are not bound by this Body's decision this evening. Thank you, Mr. Speaker."

At this time, the Chair stated:

"Thank you very much, Members. Is there anyone else who wants to submit written comments?"

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 377, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Final Reading by a vote of 36 ayes to 15 noes, with Representatives Caldwell, Evans, Hale, Hiraki, Kaho'ohalahala, Lee, Marumoto, Morita, Nishimoto, M. Oshiro, Schatz, Takai, Takumi, Thielen and Wakai, voting no.

The Chair directed the Clerk to note that S.B. No. 377, SD 1, HD 2, CD 1, passed Final Reading at 7:17 o'clock p.m.

At this time, the Chair announced:

"Members, please note that H.R. No. 158, HD 1 has been referred solely to the Committees on Health, and Human Services and Housing per Committee Referral Sheet No. 51 that was placed on your desks today. The Committee on Finance has waived its referral to this measure and therefore it is before the House for action on adoption."

Representative Saiki moved that notwithstanding the recommendation in Stand. Com. Rep. No. 1521, which was adopted on April 8, 2003, that H.R. No. 158, HD 1, be adopted, seconded by Representative Lee.

The motion was put to vote by the Chair and carried, and H.R. 158, HD 1, entitled: "HOUSE RESOLUTION REQUESTING THE DEPARTMENT OF HEALTH AND EXECUTIVE OFFICE ON AGING TO DEVELOP EDUCATIONAL MATERIALS AND PROGRAM STRATEGIES THAT ENCOURAGE FAMILY MEMBERS TO VISIT ADULT RESIDENTIAL CARE HOMES, LICENSED ASSISTED LIVING FACILITIES, AND NURSING CARE FACILITIES TO PROVIDE SUPPORT, AND ENCOURAGEMENT, AND TO MONITOR THE HEALTH STATUS OF DEPENDENT ADULT FAMILY MEMBERS, was adopted.

STANDING COMMITTEE REPORTS

Representatives Ito and Hale, for the Committee on Public Safety and Military Affairs and the Committee on International Affairs presented a report (Stand. Com. Rep. No. 1686) recommending that H.R. No. 133, as amended in HD 1, be adopted.

Representative Saiki moved that the report of the Committee be adopted and that H.R. No. 133, HD 1, be adopted, seconded by Representative Lee.

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

"Yes, Mr. Speaker. I rise to support H.R. No. 133, HD 1. This resolution was accepted unanimously by the Committee on Public Safety and Military Affairs and the Committee on International Affairs. It is timely that President Bush visits the troops to thank them for their sacrifice and valor in the military phase of this war. We also express our appreciation and support for them. The dark side of this victory is the men and women who lost their lives in this undertaking. We in Hawaii need to express our sympathy to the family and friends of the brave Sgt. Eugene Williams of Waipahu. Now we are beginning the challenging and difficult task of reconstruction and peaceful rehabilitation of the government and the infrastructure that was destroyed. We all need to work together in this effort to assure its success. Mr. Speaker, I urge all my colleagues to join me in giving strong support to this resolution. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. In support. Now Mr. Speaker, this is my kind of resolution. What distinguishes a warrior from a killer? A terrorist intentionally kills noncombatants: women, children, unarmed men. Terrorists are killers. What distinguishes a warrior is that a warrior is a killer who has some restraints. These restraints are defined by the society from whence we train them, we find them, we recruit them. Through discipline and training, these restraints can become real.

"Warriors kill evil, bad guys, and those evil bad guys that fight for evil bad guys. Nevertheless, words can still feel badly about killing. This is where this is important these kind of resolutions are important. What really makes a difference though is the support of people like us for those warriors' efforts to defend and support the Constitution and people like us who are not actively engaged in the fight.

"What we saw and what we continue to see is that our Armed Forces are composed of warriors. Good men and women whom we can all be proud of. They do their best, even at the risk of their own lives, to avoid killing the innocents, while accomplishing the military mission. It all seems very off and distant, but heroes like Sgt. Eugene Williams bring it home. They deserve our honor, our dignity, our respect. This is an easy one Mr. Speaker, and I hope all our colleagues vote for it. Thank you."

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

"Mr. Speaker, I also rise in support of this resolution. Mr. Speaker, the defense of freedom is a duty that falls to every individual who cherishes the fundamental principles of our country. Every person in this Chamber has stood shoulder to shoulder with the service men and women who have put themselves in harm's way and continue to put themselves in harm's way in Iraq, no matter what our position Mr. Speaker, no matter what our position about the war itself with Iraq.

"However we owe it to our citizens, and we owe it to humanity to ensure that the awesome power of the United States, as so effectively demonstrated Mr. Speaker, in Iraq is not indiscriminately unleashed in the future. It is not a sign of

weakness Mr. Speaker, to refrain from the initiation of warfare. Not when you are the most powerful nation in history.

"So Mr. Speaker let's remind ourselves at this time of celebrating a great victory, that standing up to your government can mean standing up for your country. And to remind each other Mr. Speaker, that no matter how we may differ in the use ..."

Representative Meyer rose and stated:

"Mr. Speaker, is he talking about this resolution? I don't ... It seems so far a field of what the resolution says."

The Chair responded, stating:

"Yes, he is speaking to the resolution, as far as supporting our troops."

Representative Caldwell continued, stating:

"Thank you, Mr. Speaker. I am about finished. We may differ in the use of this awesome power that our country now holds. However Mr. Speaker, we stand shoulder to shoulder with our troops. Thank you very much, Mr. Speaker."

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

"Thank you, Mr. Speaker. I am certainly in favor of this resolution. I have been totally impressed by the well-trained, well-equipped young men and women in the US military. From top to bottom, they did their duty and I salute them. I was also very impressed by the strong leadership of President George W. Bush. He demonstrated great resolve and never faltered. I salute him too. All of them, they made me very proud to be an American. Thank you."

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

"Mr. Speaker, in strong support. You know, I spent 25 years in the Marine Corp, and let me tell you, we were trained to break things and kill people. That was our job. I wasn't in when it was an all-volunteer force as it is now, and I want to remind everybody here, those young men and women, whose average age is 21, have done a remarkable job for our country."

"I am still hearing on this floor, and this very disheartening. There are people saying we shouldn't have done this, we shouldn't have done that. I want to commend all of my colleagues because this resolution finally, I believe, sets the record straight where we stand as a Body. You have to understand that as a military person, our duty is not to question why. It is just to do or die. You've heard that many times, but that is the truth. We don't question why. We could feel bad personally, why. But we have to do our duty. I don't know if you really understand what it means to do your duty, because that is your job. That is your responsibility."

"Look at our police and firemen. Look what happened in 9/11. Those people went in and tried to rescue people even though it meant their lives. They didn't say, 'Why?' They just said, 'We have to do it.' And that is how our military is. So to say, 'Well, we shouldn't have been there. We shouldn't have done that.' That isn't the point. This resolution, our Armed Forces, and especially one of our own who lost his life. Let's not start putting politics in this, and we shouldn't have been there in the first place. And we have duties now that we build etc., etc. We know what our duty is, and we'll do it."

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

"I rise in support. It is the duty of public servants, on behalf of their constituents, to question why on decision-making, and the decisions done by politicians will cost peoples lives at times. I believe as a Representative, as a Senator, as a President of the United States, we all have a duty to question why on all of our decisions. Thank you."

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

"Mr. Speaker, I stand in support of the resolution. Our House Resolution is a simple and sincere vote of confidence in our brave men and women who liberated Iraq from the tyranny of Saddam Hussein. Many of our native and adopted sons and daughters are among those brave men and women. We thank them for their sacrifices and contributions. Our hearts go out to those who have lost loved ones or who have suffered otherwise."

"We share both the pride of liberation, and the price of liberation. Now we the United States must win the war for the hearts and minds of not only the Iraqis, but also all those people who doubted our purpose and sincerity. The nation building upon which the United States has embarked will be arduous and lengthy. But its success will be the ultimate reward for the sacrifices of our brave men and women. I urge the Members to support this resolution. Thank you."

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

"Thank you, Mr. Speaker. I rise in support of this resolution. I had the privilege of flying out to the Abraham Lincoln the other day, and while out there I had the privilege of having lunch with nine Hawaii residents, sailors on that ship. These sailors have been on that ship for 10 months. Four months ago they were on their way home, and they were turned around they did not question their leadership, their officers. They took it and went over to Iraq, and served this country well."

"Mr. Speaker I am proud to be an American citizen. This is my adopted country. I chose to be here. And I am very proud of these young men and women that defend this country. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. In strong support and I ask that the remarks of the Representative from Kapolei be inserted as my own," and the Chair "so ordered." (By reference only.)

Representative Ching continued, stating:

"Just to say that, I paraphrased this but, there is no greater sacrifice that to lay your life down for your fellow man. And I think this is a wonderful resolution."

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

"I am in support. In conclusion, I'd like to extend a heartfelt, warm aloha to our men and women in Armed Forces. Thank you."

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

"Thank you, Mr. Speaker. In strong support of this resolution. I think it is timely that we are congratulating the

Armed Forces for the fine job and for their efforts showing their discipline and well-preparedness in coming out of that invasion of Iraq victorious. It is timely because our President George Bush flew on to that very same aircraft carrier that the Representative from Lahaina did. But it is off Virginia now. He landed on it and gave a speech to the 2,000 crew on the ship and declared that the war was over and congratulated all of them. I was in my car. I had hoped, I wished I were in front of the television set because I could just see what a glorious site that would be with all those men in uniform standing on that carrier. The planes behind him.

"The President referred to all the fine men and women who had lost their lives and the pain that it brought their families. And hopes that there will be peace as soon as possible. He really acknowledged the loss and it made me feel so proud to be an American, and I was one who had doubted that an all volunteer Army and Navy would work. I am pleased to see that when people make choices, and they believe in it, they rise to heights far beyond what we would imagine. So I am pleased that we are passing this today, and thank all of those that made this possible."

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

"Mr. Speaker, I rise in strong support. And just like to say that I am very honored and proud to be a new enlisted member of our very special Armed Forces."

Representative Kaho'ohalahala rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I also rise in support.

"Ke mau ne keia au mau mea i kolu. O ka manaio. O ka manaolana a me ke aloha. O ke aloha na ka i oi o keia mau mea. Mahalo."

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

"Thank you, Mr. Speaker. In support. Thank you, Mr. Speaker. As an aircraft electrician for the United States Air Force, I served during 1968 to 1972. When we came home, we weren't heroes. In fact, I got spat on by anti-war protestors, and it is nice to see a bipartisan agreement on this resolution.

"I congratulate the young men and women who I call the true patriots, who put their lives for us to be here in this hallowed Body in making-decisions for our State of Hawaii. So I congratulate all of the men and women as they return and also congratulate all of my fellow colleagues here in this hallowed Body for agreeing and uniting to support this resolution. Thank you."

Representative M. Oshiro rose to speak in support of the measure, stating:

"Mr. Speaker, I rise in strong support of this resolution. I'd like to thank the respective Chairs of the Public Safety Military Affairs, and International Affairs Committees for putting this resolution together in such short order. Mr. Speaker, this is something I'd be very proud of to take out in the similar form to a dinner I am having tomorrow evening at the Schofield Barracks with the men and women of the 25th Infantry Division. I received an invitation several days ago and I will be their keynote address at the DISCOM as a guest of Colonel Richard Hatch. I believe they will be excited to review the same, and learn that this Body did in fact, extend its aloha and appreciation for the sacrifices of the men and women in the Armed Services.

"I would also like to thank the Chairs for drafting this, particularly on page 2, we've expressed our deepest sympathy and sincere condolences to those who lost loved ones during the war. And especially to the family and friends of Hawaii's own hero, Sgt. Eugene Williams of Waipahu. Mr. Speaker, I went to Sgt. Williams' funeral the other week at Mililani Mauka. And I got to meet his family and his in-laws and it really struck home, because his wife actually grew up in Whitmore Village and went to Leilehua, and so that's how close things are to us. I believe that she would appreciate this, especially Sgt. Williams' unborn daughter who is expected to come into this world sometime in June. So again, I just thank this Body for moving this measure forward. Thank you."

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

"Thank you, Mr. Speaker. In strong support. As you know, I come from a community, a district that has Pearl Harbor, as well as Hickam, and there isn't a day that I don't think about all the soldiers that are out there still. This doesn't end with this resolution of course. We need to continue to pray for them to make sure that they are back here safely with their families.

"It really touches me that we take this offering of heartfelt thanks and congratulations and appreciation. My brother is also in the Special Forces, as well as my other two brothers who are in the military. So is my dad. So I grew up, and I feel the pain of the families. I just wanted to mention that and thanks for this resolution."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.R. No. 133, HD 1, entitled: "HOUSE RESOLUTION OFFERING HEARTFELT THANKS AND CONGRATULATIONS TO THE ARMED FORCES OF THE UNITED STATES," was adopted, with Representative Hiraki being excused.

At this time, the Chair announced:

"Members right now will you please refer to your yellow and white action sheets.

At 7:35 o'clock p.m., Representative Fox requested a recess and the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 8:08 o'clock p.m.

At this time, the Chair announced:

"Members please accept my apologies, but at this point in time, when the Chair did speak about referring to the yellow and white Action Sheets, the Chair right now will retract that and move on. So there is no action on any yellow Action Sheets or white Action Sheets."

GOVERNOR'S MESSAGE

The following messages from the Governor (Gov. Msg. Nos. 275 through 283) were received during session and announced by the Clerk:

Gov. Msg. No. 275, informing the House that on April 30, 2003, the following bill was signed into law:

H.B. 78 A BILL FOR AN ACT RELATING TO
HD 1 THE HOUSING AND COMMUNITY
 DEVELOPMENT CORPORATION OF
 HAWAII (ACT 036)

Gov. Msg. No. 276, informing the House that on April 30, 2003, the following bill was signed into law:

H.B. 754 A BILL FOR AN ACT RELATING TO
 ELECTIONS BY MAIL (ACT 037)

Gov. Msg. No. 277, informing the House that on April 30, 2003, the following bill was signed into law:

H.B. 772 A BILL FOR AN ACT RELATING TO
 BONDS (ACT 038)

Gov. Msg. No. 278, informing the House that on April 30, 2003, the following bill was signed into law:

H.B. 773 A BILL FOR AN ACT RELATING TO
 BONDS (ACT 039)

Gov. Msg. No. 279, informing the House that on April 30, 2003, the following bill was signed into law:

S.B. 363, A BILL FOR AN ACT RELATING TO
HD 1 EXPERIMENTAL MODERNIZATION
 PROJECTS FOR COUNTY BOARDS
 OF WATER SUPPLY (ACT 040)

Gov. Msg. No. 280, informing the House that on April 30, 2003, the following bill was signed into law:

S.B. 1139 A BILL FOR AN ACT RELATING TO
SD 1, HD 1 FAMILY COURT (ACT 041)

Gov. Msg. No. 281, informing the House that on April 30, 2003, the following bill was signed into law:

S.B. 1154 A BILL FOR AN ACT RELATING TO
HD 1 THE OFFICE OF HAWAIIAN
 AFFAIRS (ACT 042)

Gov. Msg. No. 282, informing the House that on April 30, 2003, the following bill was signed into law:

S.B. 1413 A BILL FOR AN ACT RELATING TO
HD 1 KIKALA-KEOKEA (ACT 043)

Gov. Msg. No. 283, informing the House that the following measure became law on April 30, 2003, without the Governor's signature, pursuant to Section 16 of Article III of the State Constitution:

H.B. 389 A BILL FOR AN ACT RELATING TO
HD 2 FAMILY LEAVE (ACT 044)

INTRODUCTION OF RESOLUTIONS

The following resolutions (H.R. No. 203 through 207) were announced by the Clerk and the following action taken:

H.R. No. 203, entitled: "HOUSE RESOLUTION AUTHORIZING AND EMPOWERING THE SPEAKER TO EXPEND SUCH SUMS TO COMPLETE THE WORK OF THE TWENTY-SECOND LEGISLATURE, REGULAR SESSION OF 2003, INCLUDING THE CARRYING OUT OF ANY OFFICIAL LEGISLATIVE BUSINESS IN THE INTERIM BETWEEN THE 2003 AND 2004 SESSIONS," was jointly offered by Representatives Say, Luke, Saiki and Fox.

On motion by Representative Saiki, seconded by Representative Fox and carried, H.R. No. 203 was adopted with Representatives Arakaki and Nakasone being excused.

H.R. No. 204, entitled: "HOUSE RESOLUTION AUTHORIZING THE SPEAKER TO APPROVE THE JOURNAL OF THIS HOUSE OF ANY LEGISLATIVE DAY BEING COMPILED AS OF THE 60TH DAY," was jointly offered by Representatives Say, Luke, Saiki and Fox.

On motion by Representative Saiki, seconded by Representative Fox and carried, H.R. No. 204 was adopted with Representatives Arakaki and Nakasone being excused.

H.R. No. 205, entitled: "HOUSE RESOLUTION AUTHORIZING AND DIRECTING THE COMMITTEE ON THE JOURNAL TO COMPILE AND PRINT THE JOURNAL OF THE HOUSE OF REPRESENTATIVES, REGULAR SESSION OF 2003," was jointly offered by Representatives Say, Luke, Saiki and Fox.

On motion by Representative Saiki, seconded by Representative Fox and carried, H.R. No. 205 was adopted with Representatives Arakaki and Nakasone being excused.

H.R. No. 206, entitled: "HOUSE RESOLUTION AUTHORIZING THE SPEAKER TO DESIGNATE WHICH OF THE EMPLOYEES AND OFFICERS OF THE HOUSE BE GIVEN ADDITIONAL EMPLOYMENT TO MEET THE WORK AFTER THE SESSION AND FURTHER AUTHORIZING THE SPEAKER TO DETERMINE THE PERIOD OF EMPLOYMENT," was jointly offered by Representatives Say, Luke, Saiki and Fox.

On motion by Representative Saiki, seconded by Representative Fox and carried, H.R. No. 206 was adopted with Representatives Arakaki and Nakasone being excused.

H.R. No. 207, entitled: "HOUSE RESOLUTION RELATING TO STANDING, INTERIM, AND SPECIAL COMMITTEES AUTHORIZED TO CONDUCT HEARINGS DURING THE INTERIM BETWEEN THE ADJOURNMENT OF THE REGULAR SESSION OF 2003 AND THE CONVENING OF THE REGULAR SESSION OF 2004," was offered by Representative Say.

On motion by Representative Saiki, seconded by Representative Fox and carried, H.R. No. 207 was adopted with Representatives Arakaki and Nakasone being excused.

SENATE COMMUNICATION

The Chair recognized the Clerk, who announced:

"We are in receipt of Senate Resolution No. 155, informing the House and the Governor that the Senate is ready to adjourn Sine Die. This resolution was delivered to the House personally on the floor this evening."

HOUSE COMMUNICATION

House Communication dated May 1, 2003, from Patricia Mau Shimizu, Chief Clerk of the House of Representatives to the Honorable President and Members of the Senate of the State of Hawaii, informing the Senate that the House has this day passed on Final Reading the following House and Senate Bills:

H.B. No. 512, HD 1, SD 2, CD 2
 H.B. No. 1152, HD 1, SD 1, CD 2
 H.B. No. 1400, HD 1, SD 2, CD 2
 S.B. No. 377, SD 1, HD 2, CD 1
 S.B. No. 687, SD 1, HD 1, CD 1
 S.B. No. 768, SD 1, HD 2, CD 1
 S.B. No. 1462, HD 2, CD 2

ANNOUNCEMENTS

Representative Hale: "Mr. Speaker, I put on the Members' desk, something that was sent to me by one of my constituents after one of our rather partisan debates here in the House. And I'd like to read it if you don't mind. "To announce there must be no criticism of the President or that we are to stand by the President, right or wrong ..."

Representative Fox: "Point of personal privilege, Mr. Speaker. Can I ask that this not be read?"

Speaker Say: "Representative Hale, please proceed. It may be read at this point in Announcements."

Representative Hale: "'It is not only unpatriotic and servile, but is morally treasonable to the American public.'" This was said by Theodore Roosevelt a Republican; the 26th United States President.

"Thank you all very much for that last resolution that you passed. Our Committee has been a little controversial but it ended on a very sweet note, and I'd just like to say to everybody in this audience, and on this floor, and to my colleagues to the left of me, aloha. I love you all."

Representative Fox: "Yes, an announcement. I also love the Representative from Puna. But I am really quite offended that a paper would be put on my desk at the very time that the President was going out to meet our troops coming back, basically suggesting that a highly wrong action had been taken by the President. Thank you."

Representative Luke: "Mr. Speaker, on behalf of you and all the Representatives on this floor, we wanted to thank all the hardworking Session staff, especially those people who worked diligently for long hours. We had several days where we were here until midnight and we want to thank them for sticking with us and sticking around. On behalf of the House, and on behalf of you, we want to thank all the permanent staff and the part-time staff."

Representative Fox: "On behalf of the Republicans, we echo those sentiments expressed so well by the Vice Speaker. Thank you very much, to all the permanent staff."

Representative Halford: "Thank you, Mr. Speaker. Mr. Speaker, we were poised to agree to the Senate on a bill that would repeal the requirement that assessed taxes which must be paid prior to appeal. I think that was a good bill. We should have proceeded. We were prepared to do it. And I wanted to

express I am disappointed that we let that good bill go. Thank you."

Speaker Say: "The sponsor of the bill was kind enough to agree to have it not be passed this year, but maybe next year."

Representative Finnegan: "Mr. Speaker, I just wanted to thank everybody. On Monday, we had a blood drive and I just wanted to report to everyone that the goal for the Hawaii Blood Bank was to collect 30 pints, and we received 39 pints. So they were really, really happy. I wanted to also thank you. I saw you there giving blood, and that was a great example to me, as well as to everyone in the room. So I thank everybody who participated from myself and Representative Nishimoto's office, as well as Malia Gray my office manager. And all those that helped save these approximately 117 lives. Thank you."

Representative Kaho'ohalahala: "Thank you, Mr. Speaker. I just wanted to add to that the Blood Drop that was walking around on that day, I want to acknowledge Kolo Enos for being the Blood Drop who was encouraging everyone to come by."

Speaker Say: "Representative Bertha Leong, congratulations on a great job for the baskets for IHS. And those involved with the Foodbank drive also. Thank you very much, Maile."

Representative Leong: "I just wanted to say thank you very much for all your help, because the credit doesn't just go to one office or two. It goes to all of you. Thank you again."

Speaker Say: "Representative Saiki, do you have any closing remarks? Representative Souki."

Representative Souki: "As one ex-Speaker to the current Speaker, I want to congratulate you for doing a great job. Thank you."

Speaker Say: "Thank you to all of you. Representative Fox, do you have any closing remarks? I offered it to the Majority Leader but he doesn't have any. The Chair will recognize the Minority Leader at this point."

Representative Fox: "In spite of differences that we may have, we appreciate working together with the Majority and Minority in the effort to improve the laws of the State of Hawaii and face the real challenges that we have to place before us in the economy, in education, and in working on restoring trust and integrity. We look forward to coming back to that task with you next year in working together to make real progress in the change that Hawaii is looking for. Thank you very much Mr. Speaker, for your good work. You dealt with us in quite an even-handed manner and deserve high praise for the way you conduct yourself. Thank you very much."

Representative Saiki: "Mr. Speaker, on behalf of the Majority Caucus, I'd like to echo the comments of the Minority Leader, and we wanted to express to him and his Caucus that we look forward to working with them for the public interest. Thank you."

Speaker Say: "Let me just offer a few comments this evening. In January, we started this Session with the new Governor and I think she has done an excellent job, and with 15 new legislators. And yes, that includes you, Representative Herkes at your age, and Representative Kaho'ohalahala. And I think for all of us, a mandate for change."

"You all know that we did face a faltering economy and the threat of war, and it appeared that we were going to be severely tested. And we all were, but working together we persevered and finished this Legislative Session satisfied with our achievements, but knowing there is so much more to be

accomplished. I was very proud to hear what you have said in regards to the budget. And yes, we did have fiscal restraint.

"I would also like to acknowledge this year's freshman class of legislators. These 15 new Members worked diligently, and I am very happy to have the opportunity to work with each and every one of you. Although new to this Body, and Representative Ching, my office is always open to you. You have established yourselves as respected and respectable public servants. I know for all of you that there must have been extremely frustrating times. You now all realize that the Legislature is an institution steeped in tradition and practice that are at times, confusing. No pun at any of you when I ask you questions about, "What is SCR or HCR?" It is for you to understand and learn the legislative process on this floor.

"Learning to work with 75 colleagues in the House and Senate must have been mind-boggling. Representative Wakai, I hope you learned a good lesson of two different drafts as a Conference draft. And however in the end, I hope that you will fondly remember your first Legislative Session as a rewarding one.

"If I recall my first year in the Legislature 27 years ago, it was totally, totally different. I can recall Representative Ike Sutton, Representative Andy Poepeo, Representative Donna Ikeda who were part of the Republican coalition, along with Hiram Fong, Jr. And on the Democratic side, people who have come and gone like Vice Chair's husband; Uncle Tony Kunimura, a fat, roly-poly, Japanese, ILWU longshoremen from Kauai; and others who have played a major role in this institution.

"When we began the Session, I gave you a small gift of a bamboo plant, and told you it symbolizes strength, good fortune, flexibility, and virtuousness intertwined with an open mind. All of you are a living example of this symbol. You have shown the strength to deal with tough decisions; yet remained flexible when considering opposing arguments to your opinions. You remain virtuous yet retained, with an open mind to listen to new ideas. For this, I thank all of you.

"I also want to thank each and every one of you for all of the hard work and extraordinary efforts that you have put in these past five months. You have made it much easier for me in addressing what we have today as our problems. And I am very proud that this House is much more organized, much more efficient, and much more collaborative than our counterparts in the other Chamber. I can say that because they already left.

"So in closing, once again, thank you very much, and I share this with all of you. You will all be working very hard this interim period. The Committee on War Preparedness will continue on in deliberations. The Committee on Finance will be going out to site visits to visit different capital improvement projects. And I will offer this to all of you, that we will try as a bipartisan effort to address campaign reform in 2004. It is very difficult in trying to come up with a package of bills whereby our counterparts may not agree with our position. Whatever you may say as far as it being watered down or extremely one-sided, it is your interpretation of the measure.

"So in closing once again, thank you very much, and have a safe and prosperous summer and fall. Thank you."

of Hawaii, Regular Session of 2003, adjourn Sine Die, seconded Representative Fox.

The motion was put to vote by the Chair and carried, and at 8:26 o'clock p.m., the Speaker rapped his gavel and declared the House of Representatives of the Twenty-Second Legislature of the State of Hawaii, Regular Session of 2003, adjourned Sine Die. (Representatives Arakaki and Nakasone were excused.)

ADJOURNMENT

Representative Saiki moved that the House of Representatives of the Twenty-Second Legislature of the State

**GOVERNOR'S MESSAGES RECEIVED AFTER THE ADJOURNMENT
OF THE 2003 LEGISLATURE SINE DIE**

Gov. Msg. No. 275 through 473: See Special Session
2003.

**SENATE COMMUNICATIONS RECEIVED AFTER THE ADJOURNMENT
OF THE 2003 LEGISLATURE SINE DIE**

Sen. Com. No. 816, transmitting H.C.R. No. 17, HD 1, entitled: "HOUSE CONCURRENT RESOLUTION APPROVING AND AUTHORIZING THE ESTABLISHMENT OF STATE-PROVINCE RELATIONS OF FRIENDSHIP BETWEEN THE STATE OF HAWAII OF THE UNITED STATES OF AMERICA AND THE PROVINCE OF ILOCOS NORTE OF THE REPUBLIC OF THE PHILIPPINES," which was adopted by the Senate on May 1, 2003.

Sen. Com. No. 817, transmitting H.C.R. No. 51, HD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THAT THE SECRETARY OF THE DEPARTMENT OF HOMELAND SECURITY ESTABLISH A PACIFIC OCEANIC ADMINISTRATIVE REGION WITHIN THE DEPARTMENT OF HOMELAND SECURITY TO BE HEADQUARTERED IN HONOLULU," which was adopted by the Senate on May 1, 2003.

Sen. Com. No. 818, transmitting H.C.R. No. 54, HD 1, entitled: "HOUSE CONCURRENT RESOLUTION URGING THE STATE AND COUNTIES TO SUPPORT THE DEVELOPMENT AND ESTABLISHMENT OF AN OFFICIALLY RECOGNIZED URBAN SEARCH AND RESCUE TEAM IN HAWAII," which was adopted by the Senate on May 1, 2003.

Sen. Com. No. 819, transmitting H.C.R. No. 63, HD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE OAHU METROPOLITAN PLANNING ORGANIZATION TO CONSIDER THE WAIANAE SECOND ACCESS ROAD PROJECT IN ITS REGIONAL TRANSPORTATION PLAN OF 2004 AND TO IDENTIFY IMMEDIATE SOURCES OF FUNDING FOR THE PROJECT," which was adopted by the Senate on May 1, 2003.

Sen. Com. No. 820, transmitting H.C.R. No. 76, HD 1, entitled: "HOUSE CONCURRENT RESOLUTION URGING THE UNITED STATES CONGRESS TO SUPPORT THE PASSAGE OF H.R. 664, RELATING TO IMPROVING BENEFITS FOR FILIPINO VETERANS OF WORLD WAR II," which was adopted by the Senate on May 1, 2003.

Sen. Com. No. 821, transmitting H.C.R. No. 77, HD 1, entitled: "HOUSE CONCURRENT RESOLUTION URGING THE UNITED STATES CONGRESS TO SUPPORT THE PASSAGE OF S. 68, RELATING TO IMPROVING BENEFITS FOR FILIPINO VETERANS OF WORLD WAR II," which was adopted by the Senate on May 1, 2003.

Sen. Com. No. 822, transmitting H.C.R. No. 120, HD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THAT THE STATE OF HAWAII PURSUE A WIRELESS 911 INTERIM WORKING GROUP," which was adopted by the Senate on May 1, 2003.

Sen. Com. No. 823, transmitting H.C.R. No. 182, HD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENTS OF LABOR AND INDUSTRIAL RELATIONS AND HEALTH TO CONDUCT A STUDY RELATING TO THE OCCUPATIONAL AND HEALTH RISKS OF COUNTY REFUSE COLLECTION WORKERS," which was adopted by the Senate on May 1, 2003.

Sen. Com. No. 824, transmitting H.C.R. No. 188, HD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF TRANSPORTATION TO STUDY THE FEASIBILITY OF

ESTABLISHING FLYER STOPS WITHIN THE RIGHT-OF-WAY OF OAHU'S H-2 FREEWAY AND CONNECTING TO PARK-AND-RIDE FACILITIES," which was adopted by the Senate on May 1, 2003.

Sen. Com. No. 825, transmitting H.C.R. No. 197, HD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE CITY AND COUNTY OF HONOLULU TO DETERMINE THE FEASIBILITY OF CONSTRUCTING A MULTI-USE PATH ALONG THE WAIANAE COAST FROM MAILI BEACH PARK TO MAKAHA SURFING BEACH," which was adopted by the Senate on May 1, 2003.

Sen. Com. No. 826, dated May 1, 2003, informing the House that the Senate has reconsidered its action taken on April 10, 2003 in disagreeing to the amendments proposed by the House to the following Senate Bills and have moved to agree to the amendments. The Senate further informs you that on May 1, 2003, said bills have passed Final Reading:

S.B. No. 1311, SD 1, HD 1
"RELATING TO SPECIAL FUNDS"

S.B. No. 1394, SD 2, HD 1
"RELATING TO CONFORMITY OF THE HAWAII INCOME TAX LAW TO THE INTERNAL REVENUE CODE"

S.B. No. 1397, SD 1, HD 2
"RELATING TO SIMPLIFIED TAX ADMINISTRATION"

S.B. No. 1400, SD 1, HD 1
"RELATING TO TAX ADMINISTRATION"

S.B. No. 1410, SD 2, HD 1
"RELATING TO CLAIMS AGAINST THE UNIVERSITY OF HAWAII AND PROVIDING APPROPRIATIONS THEREFOR"

Sen. Com. No. 827, dated May 1, 2003, informing the House that the Senate has reconsidered its action taken on April 14, 2003 in disagreeing to the amendments proposed by the House to the following Senate Bill and have moved to agree to the amendments. The Senate further informs you that on May 1, 2003, said bills have passed Final Reading:

S.B. No. 1334, HD 1
"RELATING TO THE STATE INTERNET PORTAL"

Sen. Com. No. 828, dated May 1, 2003, informing the House that the following bills have this day passed Final Reading in the Senate:

S.B. No. 687, SD 1, HD 1, CD 1
"RELATING TO LEAVES OF ABSENCE"

S.B. No. 768, SD 1, HD 2, CD 1
"RELATING TO COLLECTIVE BARGAINING"

S.B. No. 1462, HD 2, CD 1
"RELATING TO THE HAWAII TOURISM AUTHORITY"

H.B. No. 512, HD 1, SD 2, CD 2
"RELATING TO HEALTH"

H.B. No. 1152, HD 1, SD 1, CD 2
"RELATING TO STATE FUNDS"

H.B. No. 1400, HD 1, SD 2, CD 2
"RELATING TO HOTEL CONSTRUCTION AND
REMODELING TAX CREDIT"

**DEPARTMENTAL and MISCELLANEOUS COMMUNICATIONS RECEIVED
AFTER THE ADJOURNMENT OF THE 2003 LEGISLATURE SINE DIE**

Departmental Communications

Dept. Com. No. 52, from Marion M. Higa, State Auditor, transmitting a report, Management Audit of the University of Hawaii Incentive Early Retirement Program (IER).

Dept. Com. No. 53, from Marion M. Higa, State Auditor, transmitting a report, Follow-Up Audit of the Department of Human Services' QUEST Demonstration Project.

Dept. Com. No. 54, from Marion M. Higa, State Auditor, transmitting a report, Audit of the Department of Education's Special Education Equipment.

Dept. Com. No. 55, from Bert A. Kobayashi, Chairperson, University of Hawaii Board of Regents, acknowledging receipt of House Resolution No. 198, HD 1.

Dept. Com. No. 56, from Bert A. Kobayashi, Chairperson, University of Hawaii Board of Regents, acknowledging receipt of House Concurrent Resolution No. 185.

Dept. Com. No. 57, from Russ K. Saito, State Comptroller, transmitting their report on compliance and internal control over financial reporting for the period of January 16, 2002 through January 14, 2003.

Dept. Com. No. 58, from Marion M. Higa, State Auditor, transmitting a report, Fiscal Accountability Audit of the Department of Education: Do Measures of Effectiveness Impact Funding Decisions?

Dept. Com. No. 59, from Marion M. Higa, State Auditor, transmitting a report, Management and Financial audit of the Hawaii Tourism Authority's Major Contracts.

Dept. Com. No. 60, from Marion M. Higa, State Auditor, transmitting a report, Audit of the Department of Human Services' Electronic Benefit Transfer (EBT) Program.

Dept. Com. No. 61, from Marion M. Higa, State Auditor, transmitting a report, Follow-up Audit of the Child Protective Services System.

Miscellaneous Communications

Misc. Com. No. 5, from Thomas M. Driskill, Jr., President/CEO of Hawaii Health Systems Corporation, transmitting the Annual Report for the Program of All-Inclusive Care for the Elderly (PACE) for the fiscal year ending June 30, 2002.

Misc. Com. No. 6, from Lawrence K. Mahuna, Hawaii County Police Chief, acknowledging the receipt of House Concurrent Resolution No. 120, and committing his Department's support for this project.

Misc. Com. No. 7, from Fred C. Armendariz, Associate Deputy Administrator, Office of Government Contracting and Business Development for the U.S. Small Business Administration, acknowledging the receipt of House Concurrent Resolution No. 90.

Misc. Com. No. 8, from Hector V. Barreto, Administrator for the U.S. Small Business Administration, acknowledging the receipt of House Concurrent Resolution No. 90.

Misc. Com. No. 9, from C. Todd Jones, Associate Deputy Secretary for Budget and Strategic Accountability, United States Department of Education, acknowledging the receipt of certified copy of House Concurrent Resolution No. 208.

Misc. Com. No. 10, from Daniel K. Akaka, United States Senator, acknowledging receipt of several House Resolutions adopted by the Hawaii State Legislature.

Misc. Com. No. 11, from Nancy Bronstein, Executive Secretariat, U.S. Department of Justice, acknowledging the receipt of a resolution of the House of Representatives concerning USA Patriot Act.

Misc. Com. No. 12, from Richard N. Ferrer, Deputy Executive Secretary, Office of the President of the Philippines, acknowledging the receipt of House Concurrent Resolution No. 17.

Misc. Com. No. 13, from Ruben Barrales, Deputy Assistant to the President and Director of Intergovernmental Affairs, acknowledging the receipt of Resolution 115.

Misc. Com. No. 14, from Ruben Barrales, Deputy Assistant to the President and Director of Intergovernmental Affairs, acknowledging the receipt of Resolution 70, HD 1.

Misc. Com. No. 15, from Richard B. Myers, Chairman of the Joint Chiefs of Staff, Washington DC, acknowledging the receipt of H.R. No. 133, HD 1.

Misc. Com. No. 16, from Rolando M. Acosta, CESO II, Director, and signed by Vivian P. Suansing, Chief, Leagues Assistance Division, Republic of the Philippines, Department of the Interior and Local Government, acknowledging receipt of H.C.R. 17, HD 1.