

THE  
 TWENTY-THIRD LEGISLATURE  
 STATE OF HAWAII  
 REGULAR SESSION OF 2006  
 JOURNAL OF THE SENATE

FIRST DAY

**Wednesday, January 18, 2006**

In accordance with the provisions of Section 10 of Article III of the Constitution of the State of Hawaii, the Senate of the Twenty-Third Legislature of the State of Hawaii, Regular Session of 2006, was called to order at 10:07 o'clock a.m., by the Honorable Robert Bunda, President of the Senate.

At this time, the members of the Senate and guests rose to sing the National Anthem and "Hawaii Pono'i" led by Mr. Blaine Kamalani Kia.

The Divine Blessing was then invoked by the Reverend James Koyama, Lihue Christian Church.

The President then directed the Senate Clerk to call the Roll. The Clerk called the Roll showing all Senators present.

At 10:16 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 10:19 o'clock a.m.

The President then addressed the members of the Senate and guests as follows:

"Governor Lingle, Lt. Governor and Mrs. Aiona, Chief Justice Moon, Mayor Hannemann and Mrs. Hannemann, Mayor Kim, Mayor Arakawa, Congressman Abercrombie, Congressman and Mrs. Case, former Governor and Mrs. Ariyoshi, Mrs. Waihee and John Waihee IV, Superintendent Hamamoto, President McClain, Major General Mixon, Major General Rice, Colonel Killian, Colonel Shaffer, Dr. Nielson, esteemed colleagues, honored guests, ladies and gentlemen:

"Aloha and welcome to the 2006 Regular Session of the Hawaii State Legislature. I'd like to take just a moment to personally welcome back Governor Linda Lingle, who recently made a goodwill trip to my cultural homeland, the Philippines. She led a distinguished delegation that renewed and reinforced the ties between the people of Hawaii and the Philippines. Mabuhay, Governor Lingle.

"While in the Northern Province of Ilocos-Sur, the Governor unveiled a statue dedicated to the memory of the Sakadas, the first group of plantation workers to leave the Philippines for Hawaii in 1906. Thousands more would follow, including my grandparents who arrived in Hawaii in 1921.

"Today, I would like to acknowledge their son, my Uncle, Manuel Bunda. He was recently honored as a 'sakada' as part of the centennial anniversary celebration of Filipino immigration to Hawaii.

"Like other ethnic groups who came here looking for a better life, Filipino immigrants, like Manuel Bunda, brought with them not only their culture, but a certain attitude toward work

and opportunity, a strong belief in their own capabilities and an underlying trust in their fellow man.

"But what strikes me most is something else that all of Hawaii's immigrants, past and present, share. And that is an even stronger sense of obligation to their children and to the future. All of their actions, motivations, and aspirations were in some way connected to their children.

"Today, as the grandchildren and great grandchildren of those immigrants, we have much that can divide us. But we should never let those differences blind us to what we inherited from them, and what still holds us together – and that is our common desire to shape a better future for our children.

"There is a passage from former Governor Ariyoshi's book, With Obligation to All, that is never far from my mind. In it, he writes about power and public office in terms of a 'stewardship.'

"I quote, 'What we have today does not belong to us without qualification. It is ours to care for, enjoy, and make better before passing it on. We are stewards of elective office. We are stewards of our jobs, institutions, and communities, just as we are stewards of the land and stewards of all our resources,' unquote.

"These are wise words to live by and sound advice to guide us during this coming Session. As we all know, we are just temporary occupants of these seats. The nameplates on our office doors slide out just as easily as they slid in.

"Just as our counterparts did in Governor Ariyoshi's time, we must resist the temptation of power and deal with issues on their own merit.

"What I am talking about, my friends, is politics, pure and simple.

"Now I'm a realist and I understand the role of legitimate jousting between political parties, as well as within factions of the parties, themselves. But there comes a time, when all the posturing and positioning become counterproductive and even detrimental, and there comes a time when paying lip service to conciliation and cooperation is not enough. To achieve our goals, we must put aside our differences and truly work together.

"I believe the voters of this state are smart enough to know the difference between a good idea and a bad one; between shortsighted solutions and far-sighted vision.

"At the end of the day, I don't think they really care where a good idea comes from. It's tough enough to find sound and realistic long-term solutions. We should not restrict our choices because some of them don't come with the right political label.

"A good idea is a good idea. Let's honestly look for them, and, if they are sound, let's take them to heart.

"More than any other area, education deserves that kind of an honest look. When Superintendent Pat Hamamoto took over the reins of the Department of Education, she promised to move forward on improving our schools, if we gave her the tools to do the job. Have we given her the tools she needs to do her job? Have we given our teachers the support they need to do their job?

"Our teachers face enormous challenges, such as a maze of unfunded federal and court-ordered mandates, children from immigrant families struggling to catch up to their peers, and school facilities in disrepair. With each new challenge, schools must justify the money requested, and even then, are usually forced to make do with less. They are stretched thin and understandably frustrated.

"Right now, we have the resources to make a significant difference in our schools. There is no reason why we cannot provide stable financial support to enable the DOE to systematically eliminate its repair and maintenance backlog. We stand ready to do this.

"Inside the classroom, we can make a difference by reducing the actual class size and providing enrichment programs for all students. Every student, at every level of ability, deserves the attention they need to thrive in our educational system.

"If we are concerned about the future, we need to redouble our efforts to provide students with strong math and science backgrounds. Unfortunately, less than half of eighth grade students in the United States today have math teachers who majored in the subject or studied math for teacher certification. We all recognize the need to prepare our students for a future where technology is integrated into all aspects of modern life – where competition is not only fierce but global, with students in countries like China and India outperforming our own. I say we best prepare them by providing them with well-qualified math and science teachers.

"If we are concerned about the future, we also need to take a good hard look at economic development. Today, we have a golden opportunity in the area of biotechnology and other businesses related to life sciences that offer tremendous potential for Hawaii. There is no better investment in our future than support for the ongoing research and development at the John A. Burns School of Medicine and the Cancer Research Center of Hawaii. The future is at our doorstep. Let's invite it in.

"If we are concerned about the future, we need a comprehensive and long-range approach to dealing with our energy requirements. We need to support research and development for alternative fuels, such as ethanol, hydrogen and solar energy. Hawaii is already recognized as a premier demonstration site for the development of a hydrogen-based economy. We must continue to pursue this long-term goal of developing sustainable energy resources, as well as the protection of a sustainable environment.

"Sustainability also means support for our farmers, even as agriculture transitions from the plantation era to a more diversified and streamlined industry.

"If we are concerned about the future, we also need to take a pragmatic, as well as an honest look, at housing. It remains one of our greatest challenges. Because, while home ownership has always been the dream of most families, we know here in

Hawaii, demand will always outpace supply, forcing home ownership beyond the reach of many.

"But there are other ways of providing housing for those who need assistance the most. One of them is by addressing the rental housing market. In addition, we know there is a direct correlation between the number of homeless individuals and the availability of rental housing.

"We need to increase the supply of rental housing and provide incentives to landlords to keep existing units in the rental market. We need to make more state lands available for rental housing in our urban core. We certainly don't need to sell off public lands without very careful review, whether they are in Kakaako or anywhere else.

"If we are concerned about the future, we also need to reduce the tax burden of our citizens, a burden that has become more and more untenable. I advocated tax reform last session. The current budget surplus makes an even stronger case for tax reform.

"In the past, we've resisted implementing any changes to our tax structure because of a lack of revenues to support them. What we need is not just a one-time rebate, but significant and permanent tax reform.

"We now have the rarest of opportunities to do it without sacrificing resources for education or other priority areas. We need a serious review of the cumulative tax burden that we have placed on our citizens, income taxes and property taxes being at the top of a long list of tax liabilities. As Ben Franklin once said, 'in this world, nothing is certain but death and taxes.' I would like to note for the record that death only comes once. We can't do much to change that but we can do something about taxes.

"To properly attend to the people's business, I said earlier that we needed to rise above petty politics. We also need to truly listen to what people are saying – and to be receptive and responsive to those messages.

"The recent public outcry over the move to subdivide Waimea Valley on the North Shore is a clear case in point. The community cried out against such a move, but more importantly, it mobilized an effort to save the valley. To do so, they enlisted the support of all levels of government along with the private sector to form a partnership that worked. It is an example of what can happen when people make the connection between what we do here and what is important to them.

"Actions and decisions made by us here are directly linked to the quality of life for people today and to what we leave as a legacy for our children tomorrow.

"To those citizens who are willing to take a stand on behalf of generations to come, I congratulate you. You are an inspiration and true stewards of the future.

"As we begin the 2006 Legislative Session, I pray for a compassionate and productive Session. My wish for all of us is the wisdom and fortitude to render sound policy decisions that will benefit the people. I believe we are capable of resolving even the most persistent of problems, if we set aside politics and power struggles and simply strive to do the right thing for the right reasons.

"Colleagues, we've got work to do. Let's get to it.

"Mahalo and Aloha."

Senator Hemmings, Minority Leader of the Senate, then responded as follows:

“I just love these Opening Days. How blessed we are to be in this State with the beautiful rainbow of people in our audience and all the flowers and goodwill that comes to this Legislature on this particular day. In more ways than one, I feel like Seabiscuit – ready to run a race. There’s a lot of innuendo in that statement.

“People of Hawaii; Governor Lingle; Lt. Governor Aiona; head of the Judicial Branch of government, Chief Justice Moon; and distinguished leaders and guests:

“Senate President Bunda, it’s nice to see you at the podium again.

“A recent letter written by a woman to a major Honolulu newspaper sparks an idea in this speech. Her theme was the importance of not giving a tax cut to the ‘rich,’ but rather keeping the money in the government.

“Some suffer from what has long been one of our greatest political diseases – that is to divide us. The sad ploy is to use ‘the them against us formula’ to thwart the ‘other side’ politically. If we fall for the ploy of dividing us, we succumb to the extremes: left/right, rich/poor, haole/local, conservative/liberal.

“What we should hold in common is to make Hawaii a better place for everyone. After all these years, let’s make an affordable economy, better public education, energy independence, affordable housing, and a tax cut a reality, not just political slogans in an election year. Here is where the opening day speech becomes so difficult for those of us who are advocating honest change.

“It’s difficult to tear down the edifices of the status quo. We hope that the people of Hawaii will see the wisdom joining us, the Senate Minority, in an effort to make Hawaii a better place for everyone. I really believe most of our citizens are not interested in political labels.

“Hurricane Katrina, much like the OPEC embargo of 1974, painfully reminds us how vulnerable Hawaii is to geopolitical, economic and even a natural disaster’s impact on energy. The politics of the status quo in the last 30 years, believe it or not, have actually led this state on a path of greater dependency on fossil fuel. Months ago Senate Republicans offered our ‘energy independence’ package. It’s not our package. It should be the legislative package. It is the Senate Minority’s desire to legislate incentives for conservation. We know energy efficient vehicles will truly cut consumers gas prices at the pump.

“Besides conservation, we also wish to stimulate the market for renewable resources and advanced technologies as energy sources. It’s long overdue. Maui Bio-diesel is a reality. It is helping to prove that we do not have to be dependent on foreign oil. Renewable energy can also make hydrogen fuel cells economically viable.

“We will introduce legislation to create energy enterprise zones. We will introduce legislation to cut the red tape and costs for renewable energy sources such as solar, wind, geothermal and biomass. Hawaii can lead the nation in energy independence, rather than sadly leading the nation with the highest energy prices. By the way, the nation’s only gas cap has not, I repeat, HAS NOT, resulted in benefits to you, the people of Hawaii. The gas cap has resulted in our prices being adjusted at great cost on a weekly basis to remain the highest in the nation. We say repeal the gas cap.

“A growing number of citizens of Hawaii are voicing their frustration with high taxes. That is why Senate Republicans once again are calling for a progressive tax reduction. The surplus at the end of the current budget biennium is projected to be approximately \$600 million. We hope, and we appreciate your words, Senate President, that enlightened Majority Party members will join us in sharing that money in the form of a tax cut.

“The excise tax on food is extremely regressive; it hurts the poor the most. Taxing the poor and the hungry is unacceptable and must be stopped. We have introduced, as we do every year, legislation to eliminate the excise tax on food.

“Eliminating this cruel excise tax on food is immediate and helps everyone, but most especially the poor. Its time has come. It’s important to note that such an enduring tax cut would not consume the entire projected surplus, thus leaving enough money for school repairs, which we support.

“I will share with you some information I just received yesterday that’s not in this speech. Georgina Kawamura, the head of the Budget Department for the State of Hawaii, has revealed that there are approximately \$570 million on the state books right now for repair and maintenance of schools. That’s a lot of money. It’s there. Let’s get the job done and let’s also cut taxes. The people of Hawaii deserve a tax cut.

“We suffer sometimes from monopolies, both public and private. Once again we wish to change that formula of government monopolies. Public/private partnerships do indeed provide public benefit at less cost to the people paying the bills. The Governor’s Economic Momentum Commission recently included a recommendation that illustrates that point. Isn’t it incredible that Hawaii, an island state, ranks among the last of all 50 states for recreational mooring space in our harbors? For years the state government has maintained a monopolistic stranglehold on our harbors.

“The Economic Momentum Commission, which was bipartisan and not politically motivated, recommends a simple solution – pass necessary legislation that would allow submerged lands to be leased to the private sector for development of marinas. Wouldn’t it be great if one or more private sector companies could partner with the State of Hawaii in developing Keehi Lagoon into the biggest and the best marina in the Pacific? Most harbors including Kahului, Kawaihae and even Nawiliwili, could also include thriving marinas to benefit the fishermen and recreational boaters of our state.

“Public/private partnerships could even be utilized in conservation. Private charitable trusts, such as the Nature Conservancy and the Audubon Society, have proven to be cost effective stewards of conservation. The Nature Conservancy succeeded in saving Pelekunu Valley on Molokai. It was the synergy created by a public/private partnership that will save Waimea Valley on Oahu. These same partnerships could be the formula for conservation of legacy lands. The formula of huge tax and spending increases will do little to really save legacy lands.

“Public/private partnerships, I might add could be utilized to create affordable housing. The State of Hawaii is the biggest landowner in Hawaii. Wouldn’t it be nice if it could partner with a private sector company to build affordable housing on state land and passing on the land savings onto the marketplace? This is a headline: the solution is here on the Floor of the House and Senate – public/private partnerships work.

“The Lingle administration has demonstrated success in many areas of public/private partnerships. The administration has attained significant success in new welfare to work initiatives where private companies are helping to train welfare recipients in meaningful income producing jobs. The SEE Hawaii Work program is a win for everyone, including welfare dependents who now have the pride of having a job, the businesses that employ them, and the taxpayers who formerly were paying people money to sit at home and do nothing. Isn't it sad that last year this Legislature restricted the Department of Human Services flexibility to use federal money for programs like SEE Hawaii Work. Public/private partnerships are innovative initiatives that deviate from business as usual. Let's make them happen.

“We are entering a year of renewed opportunity, which also happens to be an election year. We can use these months to genuinely debate the issues, rather than turn a deaf ear to those who do not have the same party label. We can travel on the same old path of business as usual or we can work together to find new solutions for old problems. I know . . . I know we can reduce taxes. We can become more energy independent. We can utilize public/private partnerships. I know we can work together. The future starts right now.

“Mahalo and God Bless Hawaii as we begin the 2006 Session.”

At 10:47 o'clock a.m., the Senate stood in recess subject to the call of the Chair. At this time, the members of the Senate and their guests were entertained by the Larawan Youth Ensemble; Olomana; and Cecilio and Kaponu.

The Senate reconvened at 11:37 o'clock a.m.

#### INTRODUCTION OF SENATE BILLS

On motion by Senator Hee, seconded by Senator Hogue and carried, the following bills passed First Reading by title and were deferred:

Senate Bill

No. 2001 “A BILL FOR AN ACT RELATING TO A HAWAII CAREGIVER GRANT PROGRAM.”

Introduced by: Senators Baker, Tsutsui, Ihara, Fukunaga, Chun Oakland, English, Hooser, Nishihara, Ige, Kim, Taniguchi.

No. 2002 “A BILL FOR AN ACT RELATING TO BUILDING.”

Introduced by: Senator Baker, by request.

No. 2003 “A BILL FOR AN ACT RELATING TO HUMAN SERVICES.”

Introduced by: Senator Hee.

No. 2004 “A BILL FOR AN ACT RELATING TO HISTORIC PRESERVATION.”

Introduced by: Senator Hee.

No. 2005 “A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.”

Introduced by: Senators Hee, Kanno, Nishihara.

No. 2006 “A BILL FOR AN ACT PROHIBITING SALES OF OPIHI.”

Introduced by: Senator Hee.

No. 2007 “A BILL FOR AN ACT RELATING TO COMMERCIAL DRIVER LICENSING.”

Introduced by: Senators Hooser, Tsutsui, Espero, Nishihara, Chun Oakland, Kim, English, Kokubun, Trimble, Fukunaga, Ige, Kanno, Ihara.

No. 2008 “A BILL FOR AN ACT RELATING TO SPECIAL NUMBER PLATES.”

Introduced by: Senators Hooser, Tsutsui, Nishihara, Kim, Espero, Chun Oakland, Trimble, Kanno, Ihara, Ige, Fukunaga.

No. 2009 “A BILL FOR AN ACT RELATING TO MOTOR VEHICLE DRIVER'S LICENSE.”

Introduced by: Senators Hooser, Tsutsui, Espero, Nishihara, Chun Oakland, Kim, English, Ige, Fukunaga, Kokubun, Kanno, Ihara, Trimble.

No. 2010 “A BILL FOR AN ACT RELATING TO NOISE POLLUTION.”

Introduced by: Senator Hooser, by request.

No. 2011 “A BILL FOR AN ACT RELATING TO SOLICITATION OF FUNDS.”

Introduced by: Senator Tsutsui.

No. 2012 “A BILL FOR AN ACT RELATING TO LOW-INCOME REFUNDABLE TAX CREDIT.”

Introduced by: Senator Fukunaga.

No. 2013 “A BILL FOR AN ACT RELATING TO INCOME TAX CREDITS.”

Introduced by: Senator Fukunaga.

No. 2014 “A BILL FOR AN ACT RELATING TO HIGH TECHNOLOGY.”

Introduced by: Senators Fukunaga, English, Ihara, Hogue, Ige.

No. 2015 “A BILL FOR AN ACT RELATING TO HIGH TECHNOLOGY INNOVATION CORPORATION.”

Introduced by: Senators Fukunaga, English, Ihara, Hogue, Ige.

No. 2016 “A BILL FOR AN ACT MAKING AN APPROPRIATION TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION.”

Introduced by: Senators Fukunaga, Ige, English, Hogue, Ihara.

No. 2017 “A BILL FOR AN ACT MAKING AN APPROPRIATION FOR STATE LIFEGUARDS.”

Introduced by: Senators Hooser, Tsutsui, English, Baker, Espero, Nishihara, Kokubun, Kim, Kanno, Ige, Chun Oakland, Fukunaga, Ihara.

No. 2018 "A BILL FOR AN ACT RELATING TO PUBLIC UTILITIES."

Introduced by: Senators Hee, Kokubun.

No. 2019 "A BILL FOR AN ACT RELATING TO COMPUTER CRIME."

Introduced by: Senators Tsutsui, Hooser, Fukunaga, Hee, Baker.

No. 2020 "A BILL FOR AN ACT RELATING TO WORKERS' COMPENSATION."

Introduced by: Senators Tsutsui, English, Baker, Fukunaga, Hee, Hooser.

No. 2021 "A BILL FOR AN ACT RELATING TO THE EMPLOYER-UNION HEALTH BENEFITS TRUST FUND."

Introduced by: Senators Tsutsui, Baker, Fukunaga.

No. 2022 "A BILL FOR AN ACT RELATING TO STATE EMPLOYEE LEGAL IDENTIFICATION CARDS."

Introduced by: Senators Tsutsui, English, Baker, Hooser, Fukunaga.

No. 2023 "A BILL FOR AN ACT RELATING TO STATE FINANCIAL ADMINISTRATION."

Introduced by: Senators Tsutsui, English, Baker, Hooser, Fukunaga.

No. 2024 "A BILL FOR AN ACT WORKERS' COMPENSATION INSURANCE PREMIUMS."

Introduced by: Senator Tsutsui.

No. 2025 "A BILL FOR AN ACT RELATING TO COLLECTION OF IMPACT FEES."

Introduced by: Senator Tsutsui.

No. 2026 "A BILL FOR AN ACT RELATING TO THE JUNIOR RESERVE OFFICERS' TRAINING CORPS."

Introduced by: Senators Tsutsui, Baker, English.

No. 2027 "A BILL FOR AN ACT RELATING TO CRIMINAL OFFENSES BY MINORS."

Introduced by: Senators Tsutsui, English, Hooser.

No. 2028 "A BILL FOR AN ACT RELATING TO EMERGENCY VEHICLES."

Introduced by: Senators Tsutsui, English, Baker, Hooser, Hee.

No. 2029 "A BILL FOR AN ACT RELATING TO INSURANCE."

Introduced by: Senators Tsutsui, Baker, Hooser, Fukunaga.

No. 2030 "A BILL FOR AN ACT RELATING TO PUBLIC HOUSING."

Introduced by: Senator Hooser.

No. 2031 "A BILL FOR AN ACT RELATING TO KAA NAPALI BEACH."

Introduced by: Senator Baker, by request.

No. 2032 "A BILL FOR AN ACT RELATING TO THE OFFICE OF SCHOOL REDESIGN."

Introduced by: Senator Bunda.

No. 2033 "A BILL FOR AN ACT RELATING TO PAYMENT TO CONTRACTORS."

Introduced by: Senator Bunda.

No. 2034 "A BILL FOR AN ACT RELATING TO EMPLOYMENT SECURITY LAW."

Introduced by: Senator Bunda.

No. 2035 "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR ENHANCEMENT OF IMAGING EQUIPMENT FOR WAHIAWA GENERAL HOSPITAL."

Introduced by: Senator Bunda.

No. 2036 "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR AN INTERNATIONAL BUSINESS AND TECHNOLOGY INCUBATOR."

Introduced by: Senator Bunda.

No. 2037 "A BILL FOR AN ACT MAKING AN APPROPRIATION TO KOKUA LEGAL SERVICES, INC."

Introduced by: Senator Bunda.

No. 2038 "A BILL FOR AN ACT MAKING AN APPROPRIATION TO NA LEI WILI AREA HEALTH EDUCATION CENTER'S GROW OUR OWN HEALERS PROGRAM."

Introduced by: Senator Bunda.

No. 2039 "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII."

Introduced by: Senator Bunda.

No. 2040 "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR DEVELOPMENTAL DISABILITIES DOMICILIARY HOMES."

Introduced by: Senator Bunda.

No. 2041 "A BILL FOR AN ACT GENERAL EXCISE TAX; EXEMPTION FOR RELATED ENTITIES."

Introduced by: Senator Bunda.

No. 2042 "A BILL FOR AN ACT RELATING TO LAND USE."

Introduced by: Senator Bunda.

No. 2043 "A BILL FOR AN ACT RELATING TO A SURCHARGE TAX ON THE VALUE OF IMPROVEMENTS."

Introduced by: Senator Bunda.

No. 2044 "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR WASTE MANAGEMENT FOR SCHOOLS IN LOWLAND AREAS."

Introduced by: Senator Bunda.

No. 2045 "A BILL FOR AN ACT AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS AND MAKING AN APPROPRIATION FOR WASTE MANAGEMENT AT LOWLAND SCHOOLS."

Introduced by: Senator Bunda.

No. 2046 "A BILL FOR AN ACT RELATING TO NATURAL RESOURCE MANAGEMENT."

Introduced by: Senator Bunda.

At this time, the President directed the Senate Clerk to return to the respective committees all 2005 bills that were returned to the Clerk's desk after the Regular Session of 2005.

**ADJOURNMENT**

At 11:39 o'clock a.m., on motion by Senator Hee, seconded by Senator Hogue and carried, the Senate adjourned until 11:30 o'clock a.m., Thursday, January 19, 2006.

Respectfully submitted,

Clerk of the Senate

Approved:

President of the Senate