

TWENTY-FIFTH DAY

Tuesday, March 5, 2013

The House of Representatives of the Twenty-Seventh Legislature of the State of Hawaii, Regular Session of 2013, convened at 9:07 o'clock a.m., with Speaker Souki presiding.

The invocation was delivered by Reverend Irene Matsumoto of Palolo Kwannon Temple, after which the Roll was called showing all Members present with the exception of Representative Oshiro, who was excused.

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

SENATE COMMUNICATIONS

The following communications from the Senate (Sen. Com. Nos. 41 and 42) were received and announced by the Clerk:

Sen. Com. No. 41, transmitting S.C.R. No. 32, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE UNITED STATES CONGRESS TO RENAME THE KILAUEA POINT LIGHTHOUSE LOCATED ON THE ISLAND OF KAUAI, HAWAII, IN HONOR OF THE LATE SENATOR DANIEL K. INOUE," which was adopted by the Senate on March 1, 2013.

Sen. Com. No. 42, transmitting S.C.R. No. 43, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF TRANSPORTATION TO DESIGNATE, WHEN APPROPRIATE, ROUTE 200 ON THE ISLAND OF HAWAII AS THE DANIEL K. INOUE LEGACY HIGHWAY," which was adopted by the Senate on March 1, 2013.

Representative Saiki moved that S.C.R. No. 32 be adopted, seconded by Representative Awana.

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

"In strong support. *Kodomo no tame ni*. For the sake of the children. Mahalo to Senator Inouye, his family and to the 'Go For Broke' generation."

The motion was put to vote by the Chair and carried, and S.C.R. No. 32 was adopted, with Representatives Oshiro and Nishimoto being excused.

On motion by Representative Saiki, seconded by Representative Awana and carried, S.C.R. No. 43 was adopted, with Representatives Oshiro and Nishimoto being excused.

INTRODUCTIONS

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

Representative Luke introduced Finance staff: Mr. Randall Hiyoto, research chief; Ms. Stacey Tagala, research supervisor; Ms. Emily Makini, Ms. Kristen Chun, Ms. Kelcie Nagata and Ms. Sheryll Yotsuda, researchers; Mr. Jo Hamasaki and his assistants, Ms. Christie Pang and Ms. Kelli Ann Uehara; Ms. Linnea Schuster, office manager; Ms. Kauai Alapa and Ms. Mary Watts, office staff.

ORDER OF THE DAY

SUSPENSION OF RULES

On motion by Representative Awana, seconded by Representative Fukumoto and carried, the rules were suspended for the purpose of considering certain House Bills for Third Reading by consent calendar.

CONSENT CALENDAR

UNFINISHED BUSINESS

At this time, the Chair stated:

"Members, there will be no discussion on these items as they have been agreed to by this Body for placement on the Consent Calendar."

Representatives McKelvey and Rhoads, for the Committee on Consumer Protection & Commerce and the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 753) recommending that H.B. No. 977, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 977, HD 2, entitled: "A BILL FOR AN ACT RELATING TO TRANSPORTATION," passed Third Reading by a vote of 51 ayes.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 760) recommending that H.B. No. 1132, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1132, HD 1 pass Third Reading, seconded by Representative Awana.

Representative Ohno's written remarks in support of the measure are as follows:

"Transparent and open government begins with elected officials. Passage of HB 1132 is a step forward for all of us to keep ourselves and other officials accountable as we work to serve the people of Hawaii. Our willingness to be up front with the public about potential conflicts of interest creates the foundation for a governing body the people can trust."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1132, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC DISCLOSURE OF FINANCIAL INTERESTS STATEMENTS," passed Third Reading by a vote of 51 ayes.

Representatives Tsuji and McKelvey, for the Committee on Economic Development & Business and the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 761) recommending that H.B. No. 811, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 811, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ENERGY INFORMATION REPORTING," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 764) recommending that H.B. No. 332, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 332, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII TOURISM AUTHORITY," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 779) recommending that H.B. No. 471, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 471, HD 1 pass Third Reading, seconded by Representative Awana.

Representative Ohno's written remarks in support of the measure are as follows:

"I support the work to make our state more efficient and this bill would provide a win-win situation for all stakeholders. The Starlight Reserve Committee provides insight that provides dual benefits for the citizens of Hawaii. First, its work keeps our Hawaiian night skies bright and clear to enhance the natural beauty of our islands. Additionally, it saves our state – and therefore our hard-working taxpayers – time, money and resources through more effective lighting solutions."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 471, HD 1, entitled: "A BILL FOR AN ACT RELATING TO STARLIGHT RESERVE," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 781) recommending that H.B. No. 395, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 395, HD 2, entitled: "A BILL FOR AN ACT RELATING TO YOUTH," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 785) recommending that H.B. No. 1430, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 1430, HD 2, entitled: "A BILL FOR AN ACT RELATING TO HUMAN SERVICES," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 787) recommending that H.B. No. 158, HD 2, as amended in HD 3, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 158, HD 3, entitled: "A BILL FOR AN ACT RELATING TO TUITION ASSISTANCE," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 788) recommending that H.B. No. 196, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 196, HD 1 pass Third Reading, seconded by Representative Awana.

Representative Takai's written remarks in support of the measure are as follows:

"Mr. Speaker, I speak in support of this bill.

"The purpose of this bill is to appropriate funds to support the Veterans Treatment Court, which is intended and designed to recognize the unique needs of veterans entering the criminal justice system with mental illness and substance abuse issues arising from their service to our country.

"Veterans Court is uniquely positioned to identify veterans who have combat-related mental health and substance abuse conditions. Through no fault of their own, our veterans sometimes come back different people. It makes no sense to throw them out to the sharks, which is what the typical system does. This court is specifically designed to connect these veterans to a broad array of treatment and support services while strictly monitoring their rehabilitation progress. Upon completion the graduate will develop into a law abiding citizen.

"Physical injuries are easy to identify and treat, but the injuries of war are not always physical or visible because exposure to combat can often

cause damage to the emotional and mental state of returning service members.

"I'm pleased to see our four-year effort culminate in this lifesaving veterans court because I have witnessed first-hand the devastation to our soldiers and their families when they turn to drugs or abuse various substances. In many instances, their substance abuse is compounded by combat stress related conditions like Post-Traumatic Stress Disorder (PTSD), Traumatic Brain Injury (TBI), depression, etc. Lives that have honorably served our country during the war disintegrate and are shattered when they return home and are not helped. We owe our soldiers better.

"Hawaii's Judiciary has achieved significant success in problem-solving and treatment courts that rehabilitate offenders, reduce incarceration costs, and ensure public safety. The Hawaii Veterans Court will be the only Veterans Court in the nation to expand and enhance services to target National Guard and Reserve soldiers. With the Iraq and Afghanistan wars, 30 percent of the troops are National Guard and Reserve soldiers. Once these soldiers return, their experience with reintegration into civilian life is vastly different than active duty soldiers and warrants tailored solutions.

"The most important aspect of the program is that it brings the courts together with the VA department. We owe it to our veterans. This court will definitely save families, careers and lives.

"For these reasons, I support this measure and urge my colleagues to do the same. 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. 196, HD 1, entitled: "A BILL FOR AN ACT RELATING TO VETERANS TREATMENT COURT," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 796) recommending that H.B. No. 1388, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 1388, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST A PROCESSING ENTERPRISE," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 800) recommending that H.B. No. 1342, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 1342, HD 2, entitled: "A BILL FOR AN ACT RELATING TO DEBT COLLECTION," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 801) recommending that H.B. No. 338, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 338, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST A SEAWATER AIR CONDITIONING PROJECT IN WAIKIKI," passed Third Reading by a vote of 51 ayes.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 805) recommending that H.B. No. 252, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 252, HD 2, entitled: "A BILL FOR AN ACT RELATING TO GOVERNMENT," passed Third Reading by a vote of 51 ayes.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 807) recommending that H.B. No. 651, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 651, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTRONIC PRESCRIPTIONS," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 814) recommending that H.B. No. 710, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 710, HD 1, entitled: "A BILL FOR AN ACT RELATING TO FISHPONDS," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 816) recommending that H.B. No. 833, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 833, HD 1, entitled: "A BILL FOR AN ACT MAKING EMERGENCY APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 818) recommending that H.B. No. 1419, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1419, HD 2 pass Third Reading, seconded by Representative Awana.

Representative Ward's written remarks in support of the measure are as follows:

"Mr. Speaker, I rise in strong support for Stand. Comm. Report No. 818, HB 1419, HD 2, Relating to the Pacific International Space Center for Exploration Systems. This initiative, known as PISCES, supports the development and expansion of aerospace and related industries.

"Hawaii's unique location in the Pacific, Moon/Mars-like terrain, resident expertise in aerospace-related technologies, and long-standing ties with space-faring nations in the Asia-Pacific region, affords strategic assets and capabilities that can be leveraged to realize humankind's full potential in space, and enable our state to engage as both a major contributor to and beneficiary of the global space enterprise.

"PISCES is designed to leverage Hawaii's assets and capabilities, as well as emerging global trends in the aerospace industry, toward developing a world-class center of excellence in Hawaii to design, test, and validate new technologies to support both robotic and human missions to space.

"PISCES will serve as an economic driver for the Big Island and the entire State. It will promote the establishment and growth of new sustainable 'green' industries, along with associated high-paying jobs, professional internships, and new science, engineering and math education programs statewide.

"PISCES provides high quality planetary test sites which will enable PISCES to play a leading role in collaboration with international, federal government and commercial companies for the development, testing, and validation of key technologies, systems and processes for both robotic and human missions beyond low-Earth orbit.

"PISCES provides new construction techniques including 3D printing and 'additive manufacturing' which are rapidly emerging high-tech methods with multiple applications. PISCES is currently working with teams from the NASA Kennedy Space Center, UH Hilo, UH Manoa, the University of Notre Dame as well as the Army Corps of Engineers to

couple the space research sector with local companies in ways that will help introduce these new advances to Hawaii and allow our state to lead in this effort.

"PISCES is collaborating with educational and R&D centers nationwide to develop state-of-the-art education and training programs that can help meet the need for a highly-qualified technical workforce, while simultaneously inspiring students to pursue professional careers in science, technology, engineering and math (STEM).

"In conclusion, Mr. Speaker, Dr. Buzz Aldrin, the second man on the moon, in his testimony in support of the bill, said it best:

"I commend this Legislative Body for their vision and commitment to support this important effort – and investment that I feel confident will be returned many fold to the great State of Hawaii.

"By supporting PISCES through the legislation before you today, you will affirm that Hawaii can be a leader in the international exploration and development of space which will afford exceptional economic and societal returns to humanity on Earth, as well as to this great state, and that will enhance economic prosperity and wellbeing for generations to come."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1419, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR EXPLORATION SYSTEMS," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 820) recommending that H.B. No. 1093, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 1093, HD 1, entitled: "A BILL FOR AN ACT RELATING TO DISCLOSURES," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 825) recommending that H.B. No. 1441 pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 1441, entitled: "A BILL FOR AN ACT RELATING TO HAWAIIAN MUSIC AND DANCE," passed Third Reading by a vote of 51 ayes.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 829) recommending that H.B. No. 944 pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 944, entitled: "A BILL FOR AN ACT RELATING TO THE UNIFORM CONTROLLED SUBSTANCES ACT," passed Third Reading by a vote of 51 ayes.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 833) recommending that H.B. No. 396, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 396, HD 2, entitled: "A BILL FOR AN ACT RELATING TO TOXIC PRODUCTS," passed Third Reading by a vote of 51 ayes.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 842) recommending that H.B. No. 877, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 877,

HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE DESIGNEES FOR THE DIRECTORS OF THE DEPARTMENTS OF COMMERCE AND CONSUMER AFFAIRS, OF HEALTH, OF HUMAN SERVICES, AND OF LABOR AND INDUSTRIAL RELATIONS FOR THE BOARD OF DIRECTORS OF THE HAWAII HEALTH INSURANCE EXCHANGE," passed Third Reading by a vote of 51 ayes.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 845) recommending that H.B. No. 1098 pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 1098, entitled: "A BILL FOR AN ACT RELATING TO HEALTH EDUCATION," passed Third Reading by a vote of 51 ayes.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 847) recommending that H.B. No. 1405, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 1405, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC UTILITIES COMMISSION," passed Third Reading by a vote of 51 ayes.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 850) recommending that H.B. No. 815, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 815, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ELECTRIC COOPERATIVES," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 861) recommending that H.B. No. 692, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 692, HD 2, entitled: "A BILL FOR AN ACT RELATING TO HARBORS," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 873) recommending that H.B. No. 1328, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 1328, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE KAHO'OLAWA ISLAND RESERVE," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 874) recommending that H.B. No. 888, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 888, HD 2, entitled: "A BILL FOR AN ACT RELATING TO DISPOSITION OF PERSONAL PROPERTY ON PUBLIC HOUSING PROPERTIES," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 876) recommending that H.B. No. 131, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 131, HD 2, entitled: "A BILL FOR AN ACT RELATING TO MOBILITY MANAGEMENT," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 881) recommending that H.B. No. 909, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 909, HD 2, entitled: "A BILL FOR AN ACT RELATING TO INFANT MORTALITY PROGRAM," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 883) recommending that H.B. No. 169, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 169, HD 2, entitled: "A BILL FOR AN ACT RELATING TO FAMILY LEAVE," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 885) recommending that H.B. No. 139, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 139, HD 1, entitled: "A BILL FOR AN ACT RELATING TO FUNDS TRANSFERS," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 887) recommending that H.B. No. 198, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 198, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ABSENTEE VOTING," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 888) recommending that H.B. No. 793, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 793, HD 1, entitled: "A BILL FOR AN ACT RELATING TO NOTARIES PUBLIC," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 896) recommending that H.B. No. 859, HD 2, as amended in HD 3, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 859, HD 3, entitled: "A BILL FOR AN ACT RELATING TO COMPLETE STREETS," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 897) recommending that H.B. No. 238, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 238, HD 1, entitled: "A BILL FOR AN ACT RELATING TO WITNESSES," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 898) recommending that H.B. No. 805, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 805, HD 1, entitled: "A BILL FOR AN ACT RELATING TO FEDERAL TAX QUALIFICATION OF THE EMPLOYEES' RETIREMENT SYSTEM," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 900) recommending that H.B. No. 873, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 873, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE YOUNG ADULT VOLUNTARY FOSTER CARE ACT," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 906) recommending that H.B. No. 776, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 776, HD 2, entitled: "A BILL FOR AN ACT RELATING TO GOVERNMENT TORT LIABILITY," passed Third Reading by a vote of 51 ayes.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 909) recommending that H.B. No. 146, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 146, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE TRAFFIC CODE," passed Third Reading by a vote of 51 ayes.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 910) recommending that H.B. No. 798 pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 798, entitled: "A BILL FOR AN ACT RELATING TO NOTICE BY THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY," passed Third Reading by a vote of 51 ayes.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 911) recommending that H.B. No. 980, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 980, HD 2, entitled: "A BILL FOR AN ACT RELATING TO HIGHWAY SAFETY," passed Third Reading by a vote of 50 ayes to 1 no, with Representative Hanohano voting no.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 912) recommending that H.B. No. 1280, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 1280, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SAFETY," passed Third Reading by a vote of 51 ayes.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 913) recommending that H.B. No. 1059, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 1059, HD 2, entitled: "A BILL FOR AN ACT RELATING TO COURT ADVISEMENT CONCERNING ALIEN STATUS," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 920) recommending that H.B. No. 775, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 775,

HD 2, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR CLAIMS AGAINST THE STATE, ITS OFFICERS, OR ITS EMPLOYEES," passed Third Reading by a vote of 51 ayes.

THIRD READING

H.B. No. 689, HD 1:

On motion by Representative Saiki, seconded by Representative Awana and carried, H.B. No. 689, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE METROPOLITAN PLANNING ORGANIZATION," passed Third Reading by a vote of 51 ayes.

H.B. No. 1071, HD 1:

On motion by Representative Saiki, seconded by Representative Awana and carried, H.B. No. 1071, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE REGENTS CANDIDATE ADVISORY COUNCIL," passed Third Reading by a vote of 51 ayes.

H.B. No. 1258, HD 1:

On motion by Representative Saiki, seconded by Representative Awana and carried, H.B. No. 1258, HD 1, entitled: "A BILL FOR AN ACT RELATING TO AGING," passed Third Reading by a vote of 51 ayes.

H.B. No. 648, HD 1:

On motion by Representative Saiki, seconded by Representative Awana and carried, H.B. No. 648, HD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE FINANCES," passed Third Reading by a vote of 51 ayes.

H.B. No. 182, HD 1:

On motion by Representative Saiki, seconded by Representative Awana and carried, H.B. No. 182, HD 1, entitled: "A BILL FOR AN ACT RELATING TO JUVENILES," passed Third Reading by a vote of 51 ayes.

H.B. No. 587, HD 1:

On motion by Representative Saiki, seconded by Representative Awana and carried, H.B. No. 587, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PENAL CODE," passed Third Reading by a vote of 51 ayes.

H.B. No. 1066, HD 1:

On motion by Representative Saiki, seconded by Representative Awana and carried, H.B. No. 1066, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PROSTITUTION," passed Third Reading by a vote of 51 ayes.

H.B. No. 841, HD 1:

On motion by Representative Saiki, seconded by Representative Awana and carried, H.B. No. 841, HD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," passed Third Reading by a vote of 51 ayes.

H.B. No. 813, HD 1:

On motion by Representative Saiki, seconded by Representative Awana and carried, H.B. No. 813, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTRICITY PRODUCERS," passed Third Reading by a vote of 51 ayes.

H.B. No. 652:

On motion by Representative Saiki, seconded by Representative Awana and carried, H.B. No. 652, entitled: "A BILL FOR AN ACT RELATING TO REMOTE DISPENSING," passed Third Reading by a vote of 51 ayes.

H.B. No. 418, HD 1:

On motion by Representative Saiki, seconded by Representative Awana and carried, H.B. No. 418, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIFORM MEDIATION ACT," passed Third Reading by a vote of 51 ayes.

At 9:19 o'clock a.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 977, HD 2
 H.B. No. 1132, HD 1
 H.B. No. 811, HD 2
 H.B. No. 332, HD 1
 H.B. No. 471, HD 1
 H.B. No. 395, HD 2
 H.B. No. 1430, HD 2
 H.B. No. 158, HD 3
 H.B. No. 196, HD 1
 H.B. No. 1388, HD 1
 H.B. No. 1342, HD 2
 H.B. No. 338, HD 2
 H.B. No. 252, HD 2
 H.B. No. 651, HD 1
 H.B. No. 710, HD 1
 H.B. No. 833, HD 1
 H.B. No. 1419, HD 2
 H.B. No. 1093, HD 1
 H.B. No. 1441
 H.B. No. 944
 H.B. No. 396, HD 2
 H.B. No. 877, HD 1
 H.B. No. 1098
 H.B. No. 1405, HD 2
 H.B. No. 815, HD 2
 H.B. No. 692, HD 2
 H.B. No. 1328, HD 1
 H.B. No. 888, HD 2
 H.B. No. 131, HD 2
 H.B. No. 909, HD 2
 H.B. No. 169, HD 2
 H.B. No. 139, HD 1
 H.B. No. 198, HD 2
 H.B. No. 793, HD 1
 H.B. No. 859, HD 3
 H.B. No. 238, HD 1
 H.B. No. 805, HD 1
 H.B. No. 873, HD 2
 H.B. No. 776, HD 2
 H.B. No. 146, HD 2
 H.B. No. 798
 H.B. No. 980, HD 2
 H.B. No. 1280, HD 2
 H.B. No. 1059, HD 2
 H.B. No. 775, HD 2

H.B. No. 689, HD 1
 H.B. No. 1071, HD 1
 H.B. No. 1258, HD 1
 H.B. No. 648, HD 1
 H.B. No. 182, HD 1
 H.B. No. 587, HD 1
 H.B. No. 1066, HD 1
 H.B. No. 841, HD 1
 H.B. No. 813, HD 1
 H.B. No. 652
 H.B. No. 418, HD 1

At this time, the Chair stated:

"Members, please remember to submit to the Clerk the list of House Bills on the Consent Calendar for which you will be inserting written

comments, in support or in opposition. This must be done by the adjournment of today's Floor session."

At 9:19 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 10:47 o'clock a.m.

ORDINARY CALENDAR**UNFINISHED BUSINESS**

At this time, the Chair stated:

"Members, we are on the Ordinary Calendar, page 11. Before we go into the Unfinished Business, I want you all to note all these items which will be at the end of the calendar, all the amendments that have been requested.

"Beginning on page 29, Standing Committee Report Number 908, House Bill Number 903, House Draft 2, end of calendar.

"On page 30, we have three items. Standing Committee Report Number 917, House Bill Number 411, House Draft 2, end of calendar. Standing Committee Report Number 918, House Bill Number 1268, House Draft 1, end of calendar. Standing Committee Report Number 923, House Bill Number 357, House Draft 3, end of calendar.

"On page 36, House Bill Number 694, House Draft 1, end of calendar."

Representatives Rhoads and McKelvey, for the Committee on Judiciary and the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 720) recommending that H.B. No. 1068, as amended in HD 1, pass Second Reading and be placed on the calendar for Third Reading.

Representative Saiki moved that the report of the Committees be adopted, and that H.B. No. 1068, HD 1 pass Second Reading and be placed on the calendar for Third Reading, seconded by Representative Awana.

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

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

"Thank you, Mr. Speaker. In opposition and brief comments. Thank you, Mr. Speaker. My concern is the amendments that were made in the previous committee expanded this bill. For those of you who may recall this bill in past years, it was the poster that would require the human trafficking hotline to be placed in certain specific areas where human trafficking was an issue.

"My concern is that the last Committee that heard this bill did in fact expand the definition and the placement, so essentially now we're requiring every employer in the State of Hawaii to now put up one of these hotline posters. So that means my law firm now has to put one up, my physical therapist has to put one up, we as individual employers now have to put one of these hotline posters up.

"I don't know if that was the intention, to expand it to every single employer in the State of Hawaii, but it seems it's a little bit overreaching at this point. And so respectfully I do realize it's only Second Reading, but I will be voting no. Thank you."

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

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

"Mr. Speaker, in support. This bill just requires the posters go up wherever other posters that the Department of Labor and Industrial

Relations would have to put up a poster anyway. It simply adds one more poster to the plethora of posters that are already required for labor law reasons. Thank you."

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

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

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

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

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

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

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

Representative Har rose to respond, stating:

"Thank you, Mr. Speaker. Brief rebuttal. Members, I would direct your attention to the Standing Committee Report Number 720. It clearly states, 'your Committees have amended this measure by, number 1, requiring that every employer, rather than specified establishments, display in a conspicuous place a poster containing the information relating to the National Human Trafficking Resource Center Hotline.' It does in fact say, 'requiring that every employer.' Thank you, Mr. Speaker."

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

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

Representative Rhoads rose to respond, stating:

"Mr. Speaker, in support still. Every business establishment that has to put up notices to employees, and yes that's everyone, but it's an important issue and one that certainly qualifies as something that all employees should be aware of. Thank you."

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

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

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

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

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

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

Representative Hashem 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 Committees was adopted and H.B. No. 1068, HD 1, entitled: "A BILL FOR AN ACT RELATING TO HUMAN TRAFFICKING," passed

Second Reading and was placed on the calendar for Third Reading, with Representatives Choy, Fale, Hanohano, Har, Jordan and McDermott voting no.

SUSPENSION OF RULES

At this time, the Chair stated:

"Going on to House Bill 190, there's going to be a number of motions on this measure here and this is Unfinished Business. Please note that House Bill Number 190, House Draft 1, has been re-referred solely to the Committee on Education per Committee Referral Sheet Number 29 that was distributed on March 1st. The Committee on Judiciary waived its referral to this measure and therefore it's appropriate for the House to consider action for passage on Third Reading."

On motion by Representative Saiki, seconded by Representative Awana and carried, the rules were suspended to reconsider action previously taken on certain House Bills.

RECONSIDERATION OF ACTION TAKEN

On motion by Representative Saiki, seconded by Representative Awana and carried, the House reconsidered its action previously taken pursuant to the recommendation contained in Standing Committee Report No. 517, recommending referral to the Committee on Judiciary.

UNFINISHED BUSINESS

H.B. No. 190, HD 1:

On motion by Representative Saiki, seconded by Representative Awana and carried, H.B. No. 190, HD 1, entitled: "A BILL FOR AN ACT RELATING TO TRUANCY," passed Third Reading by a vote of 51 ayes.

At 10:56 o'clock a.m., the Chair noted that the following bill passed Third Reading:

H.B. No. 190, HD 1

RECONSIDERATION OF ACTION TAKEN

At this time, the Chair stated:

"We are on House Bill Number 989. Again, please note that House Bill 989 has been re-referred solely to the Committees on Water & Land and Ocean, Marine Resources, & Hawaiian Affairs per Committee Referral Sheet Number 29 that was distributed on March 1st. The Committee on Finance waived its referral to this measure and therefore it is appropriate for the House to consider action for passage on Third Reading."

Representative Saiki moved that the House reconsider its action previously taken pursuant to the recommendation contained in Standing Committee Report No. 79, recommending referral to the Committee on Finance, seconded by Representative Awana.

Representative Har rose to speak in opposition to the motion, stating:

"Mr. Speaker, in opposition. Just briefly, I have some concerns given the fact that this bill does in fact, the Finance Committee did waive off, but this bill does in fact deal with fines, calculating fines. This is a new way that we're moving in the HRS and so for that reason I'll be voting in opposition to the motion."

At 10:58 o'clock a.m., Representative Mizuno 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.

The motion was put to vote by the Chair and carried, and the House reconsidered its action previously taken pursuant to the recommendation contained in Standing Committee Report No. 79, recommending referral to the Committee on Finance. (Representative Har voted no, and Representative Say was excused.)

UNFINISHED BUSINESS

H.B. No. 989:

Representative Saiki moved that H.B. No. 989 pass Third Reading, seconded by Representative Awana.

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

"Mr. Speaker, thank you. In opposition. I want to thank the introducers of this bill. I understand for many years this has been an issue. As the former Vice Chair of Water, Land, & Ocean Resources, we dealt with this issue for many years. The fact of the matter is this, though. When it comes to aquatic resources, the policy has always been to educate. And that is why we allowed for any administrative fines to be done via the rulemaking process.

"So to begin now allowing fines to be put into statute really doesn't necessarily perpetuate the need for education, which is what we've always tried to do within DLNR aquatic resources. So I'm just concerned that at this point if we start to put fines, it doesn't actually help our fisherman and the aquatic resources community from wanting to be educated. Once you start going down the road of fines, it opens the door. So it really creates a dangerous precedent.

"And more importantly, Mr. Speaker, from what I understand for many years from working with aquatic resources, they've been working with all the stakeholders to deal with the penalties and so they're pretty much finished with their administrative rules, they're very close. So to allow this bill to go forward really would just be to supersede the hard work of all of those stakeholders that have been working so diligently on the rules. So for those reasons, I stand in opposition. Thank you."

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

"Thank you, Mr. Speaker. I stand in support. I just want to clarify that the admin rules will still be in place in terms of what the fines will be. What this has done is, showing that the best way is I think tell a story, because I think that really explains what this bill is doing.

"There were 500 yellow tangs taken and they were thrown in a dumpster. The DOCARE officer said it was unfortunate, but when they caught the person who did it they could only fine per species, because that is how our law was guiding them, that it's a fine per species. Basically what this does is it says it's a fine per quantity by species, but the fine for the species will be developed in the admin rules.

"So I think this is really an important bill. It was unfortunate that 500 yellow tangs were dumped in a dumpster, but they could only do a fine on the species instead of the actual quantity of the fish that were taken. So this is to try to clarify it. Thank you."

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

"Thank you, Mr. Speaker. I'm speaking in opposition, Mr. Speaker. Thank you. I do thank the introducers of this measure because I think this is a topic that should be discussed, but I think we should let that discussion continue. They have been in the process of rulemaking with the individuals in this industry. And that's what we do under Chapter 91, Mr. Speaker,

which I think is the best way to handle this, not the Legislative Body to supersede that public process.

"In reviewing the testimony from the Department of Land and Natural Resources, they had proposed an amendment to this measure. I don't see why it wasn't taken into consideration, because I think their amendment would have resolved what they wanted to do and it would have focused on applying that measure to all aquatic resources, not just a specific industry.

"I don't think we should be focusing on a specific industry. We should be looking at everything holistically and therefore that's why I'm speaking against this measure, Mr. Speaker. I think we should be cognizant of letting our administrative bodies handle those administrative procedures. If they don't work in the long run, then we should step into those matters. But for the time being, Mr. Speaker, thank you, and I would like to request written comments. Thank you very much, Mr. Speaker."

Representative Jordan's written remarks are as follows:

"Mr. Speaker, I rise in opposition to HB 989. I represent a huge constituency of ocean users who reside on the west side of Oahu. Like many of us who were raised on and continue to enjoy fresh fish from the ocean, we believe the management of our resources is critical. As legislators, we cannot claim that we are experts in everything. Because of this, we need to rely on those who are hired to do the job to provide us with knowledge.

"For resource management, we turn to the Department of Land and Natural Resources (DLNR). They are also tasked with the responsibility of promulgating rules to carry out the laws we create. The Legislature delegated rule making authority to the departments via Chapter 91. Statute tasks DLNR with managing the resources and so we should allow them to guide us in doing so. It is our responsibility to work with our departments and our constituents to learn and educate and find responsible and workable solutions to issues as they arise. If we continue the practice of passing bills to usurp policy and processes already in place, we erode our departments' abilities to perform consistently and fairly.

"Many of the bills that come before us are opinion driven, initiatives from one segment of the community, and suggestions to find solutions to perceived problems. The Legislature is tasked with doing their due diligence to vet these issues and determine the best course of action using policies, processes, precedent, fact and data.

"We must work with our agencies and departments to provide the best solutions for the public so that we do not pass half-baked legislation. By usurping a department, we may pass legislation that seems to provide immediate solutions which appear to be 'harmless,' but we may never be able to realize the unintended consequences of our actions. And since we are not the experts, we may not have measured the legislation for appropriateness.

"In this bill, fining a person for taking illegal fish seems like a relatively easy issue to support. On face value it seems harmless, but if not a commercial fisherman or a tropical fish collector, one may never know the true impact of this bill after it is enacted. Is it responsible? Is it appropriate? Does it fulfill its intended purpose? We can only guess that this bill is intended to better manage the resource. Yet, do we know if there is a true need for this or if this is just one group of the community's view on what is needed.

"With questions like these, I understand why the Legislature relegated to the departments the authority to make rules to promulgate law, such as the Chapter 91 process. After all, it is the responsible thing to do. Therefore I cannot support this bill or any similar bill that will trump the DLNR's role to manage the resource.

"It is our role to sift through legislation to not only hear, pass or kill, but to also question why the issue has been brought before us and to determine if passing a law is the right solution or if another solution is more appropriate. In this case, I do not feel passing HB 989 is the responsible thing to do so I cast my no vote and urge my colleagues to do what is responsible and vote no. Thank you, Mr. Speaker."

Representative Tokioka 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 H.B. No. 989, entitled: "A BILL FOR AN ACT RELATING TO FISH," passed Third Reading by a vote of 45 ayes to 6 noes, with Representatives Fale, Har, Ito, Jordan, Oshiro and Say voting no.

At 11:04 o'clock a.m., the Chair noted that the following bill passed Third Reading:

H.B. No. 989

At 11:04 o'clock a.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 11:07 o'clock a.m.

Representative Hanohano rose to a point of order, stating:

"*Mahalo ho'omalu 'olelo. Ke ku nei au me ka kako'o ole no keia pila, House Bill 989. Mahalo. Point of order. I was standing but apparently you didn't see me, so I just wanted to record my no vote. Mahalo.*"

Representative Tokioka rose to a point of order, stating:

"Thank you, Mr. Speaker, a point of order. Thank you. I did vote no, I did not turn in my green slip and I apologize for that. But my question is will my vote be counted as a no vote."

The Chair then stated:

"It will be recorded as a no vote for the Journal."

At 11:08 o'clock a.m., Representative Saiki requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 11:09 o'clock a.m.

RECONSIDERATION OF ACTION TAKEN

At this time, the Chair stated:

"Members, please note that House Bill Number 1137, House Draft 1, has been re-referred solely to the Committee on Human Services per Committee Referral Sheet Number 29 that was distributed on March 1st. The Committee on Judiciary waived its referral to this measure and therefore it is appropriate for the House to consider action for passage on Third Reading."

On motion by Representative Saiki, seconded by Representative Awana and carried, the House reconsidered its action previously taken pursuant to the recommendation contained in Standing Committee Report No. 473, recommending referral to the Committee on Judiciary.

UNFINISHED BUSINESS

H.B. No. 1137, HD 1:

On motion by Representative Saiki, seconded by Representative Awana and carried, H.B. No. 1137, HD 1, entitled: "A BILL FOR AN ACT RELATING TO FAMILY COURT," passed Third Reading by a vote of 51 ayes.

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

H.B. No. 1137, HD 1

RECONSIDERATION OF ACTION TAKEN

At this time, the Chair stated:

"Again, Members, please note that House Bill Number 1187 has been re-referred solely to the Committee on Human Services per Committee Referral Sheet Number 29 that was distributed on March 1st. The Committee on Judiciary waived its referral to this measure and therefore it is appropriate for the House to consider action for passage on Third Reading."

On motion by Representative Saiki, seconded by Representative Awana and carried, the House reconsidered its action previously taken pursuant to the recommendation contained in Standing Committee Report No. 337, recommending referral to the Committee on Judiciary.

UNFINISHED BUSINESS

H.B. No. 1187:

On motion by Representative Saiki, seconded by Representative Awana and carried, H.B. No. 1187, entitled: "A BILL FOR AN ACT RELATING TO HUMAN TRAFFICKING," passed Third Reading by a vote of 51 ayes.

At 11:13 o'clock a.m., the Chair noted that the following bill passed Third Reading:

H.B. No. 1187

At this time, the Chair stated:

"We will now be voting by page on all of these measures. Beginning on page 12, we will go individually for discussion on each bill."

Representative Hanohano, for the Committee on Ocean, Marine Resources, & Hawaiian Affairs, presented a report (Stand. Com. Rep. No. 752) recommending that H.B. No. 866, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 866, HD 2 pass Third Reading, seconded by Representative Awana.

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

"Mr. Speaker, ruling on a conflict of interest. My brother is a councilman for County of Hawaii," and the Chair ruled, "no conflict."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 866, HD 2, entitled: "A BILL FOR AN ACT RELATING TO SEWER SYSTEMS SERVICING ON HAWAIIAN HOME LANDS," passed Third Reading by a vote of 51 ayes.

Representatives McKelvey and Rhoads, for the Committee on Consumer Protection & Commerce and the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 754) recommending that H.B. No. 1101, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committees was adopted and H.B. No. 1101, HD 2, entitled: "A BILL FOR AN ACT RELATING TO MOTOR CARRIERS," passed Third Reading by a vote of 51 ayes.

Representatives McKelvey and Rhoads, for the Committee on Consumer Protection & Commerce and the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 755) recommending that H.B. No. 690, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committees be adopted, and that H.B. No. 690, HD 2 pass Third Reading, seconded by Representative Awana.

Representative Har 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 Har's written remarks are as follows:

"Mr. Speaker, I rise in support with reservations to Standing Committee Report 755, House Bill 690, House Draft 2. This bill would require an increase in the minimum liability coverage from \$20,000 to \$30,000 per person for motor vehicle insurance policies.

"This bill would adversely affect low-income consumers who can barely pay the costs of a minimum coverage plan as is. In the event that this bill passes, minimum insurance costs would increase and may become unaffordable for some customers. By raising overall insurance costs, this bill would be a disincentive for consumers to purchase mandatory insurance, thereby increasing the number of uninsured drivers in Hawaii.

"For this reason, I have reservations on Standing Committee Report 755, House Bill 690, House Draft 2.

"Thank you, Mr. Speaker."

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

Representative Fale's written remarks are as follows:

"Mr. Speaker, I rise in opposition of House Bill 690, HD 2. My concern, Mr. Speaker, is that this measure will raise the costs associated with owning and driving a motor vehicle in our state because this measure will raise insurance premiums.

"Mr. Gordon Ito, the Hawaii State Insurance Commissioner, testified on behalf of the Department of Commerce and Consumer Affairs. Mr. Ito noted that, 'Increasing the minimum liability insurance coverage will result in a higher premium to consumers who purchase only the minimum coverage and may make motor vehicle insurance unaffordable for some consumers. This may result in a higher number of uninsured motorists, which may also impact the assigned claims program.'

"National Association of Mutual Insurance Companies (NAMIC) also submitted testimony on this measure. The NAMIC pointed out that the unintended consequence of this bill may be that there will be an increase in uninsured motorists in Hawaii.

"Christian J. Rataj, Esq. of the NAMIC stated, 'the real impact of the proposed legislation will be on those well-intended consumers, who want to purchase auto insurance liability coverage, but who won't be able to afford the new mandated coverage limits. These consumers will have no financial choice, but to break the law and operate a motor vehicle without mandatory automobile liability insurance coverage. Not only does this create new criminal liability concerns for these lower income consumers, but it also creates greater civil liability exposure for these consumers, because now they won't even have the currently mandated \$20,000 liability coverage protection.'

"Mr. Speaker, for these reasons I rise in opposition to House Bill 690, HD 2."

Representative Hanohano 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 Committees was adopted and H.B. No. 690, HD 2, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE INSURANCE," passed Third Reading by a vote of 44 ayes to 7 noes, with Representatives Cheape, Fale, Fukumoto, Johanson, McDermott, Thielen and Ward voting no.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 756) recommending that H.B. No. 754, HD 1, as amended in HD 2, pass Third Reading.

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

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

"Mr. Speaker, ruling on a conflict of interest. Again, my brother is a Councilman for the County of Hawaii," and the Chair ruled, "no conflict."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 754, HD 2, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," passed Third Reading by a vote of 48 ayes to 3 noes, with Representatives Cheape, Thielen and Ward voting no.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 757) recommending that H.B. No. 791, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 791, HD 1 pass Third Reading, seconded by Representative Awana.

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

"Mr. Speaker, I request ruling on a potential conflict. I work for a nonprofit. Thank you," and the Chair ruled, "no conflict."

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

"Mr. Speaker, ruling on a potential conflict. I'm a board member on a nonprofit. Thank you," and the Chair ruled, "no conflict."

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

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

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

"Mr. Speaker, I just needed to make a request on a possible conflict of interest. I'm on a board of directors of a nonprofit. Thank you," and the Chair ruled, "no conflict."

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

"Same request," and the Chair ruled, "no conflict."

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

"Same request, my husband works for a nonprofit and is a board member on a nonprofit," and the Chair ruled, "no conflict."

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

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

Representative Saiki rose, stating:

"Point of information. I don't believe there'd be a conflict for unpaid board members."

The Chair then stated:

"Thank you very much. The Majority Leader said that you're all absolved. There's no conflict."

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

"I'm a paid employee of a nonprofit and I stand in strong support. Thank you."

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

"Thank you, Mr. Speaker. I need a ruling on a possible conflict, please. I work for a nonprofit," and the Chair ruled, "no conflict."

The Chair then stated:

"All those who work for nonprofits, no conflict. So you don't have to stand up."

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

"I also serve on several nonprofit boards. Thank you," and the Chair ruled, "no conflict."

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

"Same request. Thank you," and the Chair ruled, "no conflict."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 791, HD 1, entitled: "A BILL FOR AN ACT RELATING TO NONPROFIT CORPORATIONS," passed Third Reading by a vote of 51 ayes.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 758) recommending that H.B. No. 17, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 17, HD 1 pass Third Reading, seconded by Representative Awana.

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

"Thank you. Mr. Speaker, I'm rising to speak in support of the bill but with a caveat. I'll state my support first if I may. The House Bill 17 proposed, as the original sponsors of the bill, proposed, to make permanent Act 160 of the Sessions Laws of Hawaii of 2010. That law requires landowners in shoreline areas to ensure that public transit beach corridors are passable and free from human-induced, enhanced or unmaintained vegetation that blocks the shoreline access.

"It's a wonderful bill, it's been very successful. As noted in the Department of Land and Natural Resources testimony, the Department has been successfully utilizing Act 160 to compel offending landowners to cut back vegetation that inhibits lateral shoreline access. Thus Act 160 has been an effective tool to protect lateral shoreline access.

"The only problem with the bill, Mr. Speaker, is that in the last moments the Judiciary Chair put in a new sunset provision instead of just eliminating the sunset forever, so our public can have shoreline lateral access. I would hope as the bill goes over to the Senate that the Senate will make this law permanent, and when we go to Conference Committee that the House will agree that's in the best interest for the people of Hawaii. Thank you."

The Chair addressed Representative Thielen, stating:

"Just for my own information, is your caveat 'with reservations'?"

Representative Thielen: "Absolutely not, but I dislike intensely the fact that the bill will sunset in two years and then we again have to fight this battle."

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

"Mr. Speaker, in strong support and may I have the words of the previous speaker adopted as my own," and the Chair "so ordered." (By reference only.)

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 17, HD 1, entitled: "A BILL FOR AN ACT RELATING TO COASTAL AREAS," passed Third Reading by a vote of 51 ayes.

At 11:21 o'clock a.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 866, HD 2
H.B. No. 1101, HD 2
H.B. No. 690, HD 2
H.B. No. 754, HD 2
H.B. No. 791, HD 1
H.B. No. 17, HD 1

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 759) recommending that H.B. No. 90, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 90, HD 2 pass Third Reading, seconded by Representative Awana.

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

Representative Fale's written remarks are as follows:

"Mr. Speaker, I rise with reservations on House Bill 90, HD 2. This bill will establish 'a temporary Emergency Response Vehicle Noise Task Force to determine the impact of the emergency response vehicle sirens in terms of excessive noise, the effect on public safety, and the relative effectiveness of the use of emergency lights instead of the use of sirens at night.'

"Mr. Speaker, my concern is that this bill creates a task force that already exists; the 'State Emergency Medical Services Advisory Committee,' within the Department of Health could fulfill the purpose of this bill. The Department of Health would also have to find additional funding for the Emergency Response Vehicle Noise Task Force activities.

"The Department of Health submitted the following testimony concerning the bill, 'While "emergency response vehicles" is not defined in this measure, it appears that the focus is on vehicles responding to medical calls, i.e. the emergency medical services system. If this measure is primarily focused on emergency medical responses, then the State Emergency Medical Services Advisory Committee (EMSAC) would be an appropriate venue to address the concerns expressed.'

"Cindy Kamikawa, Vice President of Nursing, Trauma, ED, and Chief Nursing Officer for The Queen's Medical Center submitted testimony sharing her concerns, 'We respectfully suggest that a task force on this issue is not necessary as sirens are an important option that EMS must retain the use of, as necessary, to navigate through traffic swiftly and safely.'

"Mr. Speaker, for these reasons, I rise with reservations on House Bill 90, HD 2."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 90, HD 2, entitled: "A BILL

FOR AN ACT RELATING TO EMERGENCY RESPONSE VEHICLES," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 762) recommending that H.B. No. 343, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 343, HD 2, entitled: "A BILL FOR AN ACT RELATING TO GAMBLING OFFENSES," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 763) recommending that H.B. No. 1481, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1481, HD 2 pass Third Reading, seconded by Representative Awana.

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

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

"Thank you, Mr. Speaker. In opposition with brief comments. Thank you, Mr. Speaker. First of all, I want to thank the introducer of this measure. I think it is clearly well intended. While the intent is laudable, my concern is this. I think many of my constituents would have grave concerns that their taxpayer dollars are actually going to candidates who don't support their views. And for that sole reason, Mr. Speaker, I stand in opposition. Thank you."

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

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

"Thank you, Mr. Speaker. I rise in opposition. I think this is poor policy that forces taxpayers to support a position or party that's not consistent with their own. Number two, I think there is a fiscal impact that's quite severe to the General Fund. Thank you."

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

"Mr. Speaker, in strong support. Since the Citizens United ruling in 2010, there's been a very stark increase of the influence of money in politics. I think this is a very elegant measure to help mitigate those effects and really make elections about the candidate with the best ideas and not just the ones with the biggest donors.

"The language worked in through the Finance Committee, I think it gives a lot of, there's a lot of due diligence that this candidate would have to do and a lot of public support he would have to garner before being funded. So I think it does make, to rebut a point that was previously stated, it does hold this candidate to be more in-line with the public interest and not the donor's interest."

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

"Mr. Speaker, in support. In response to my Vice Chair's opposition, I just wanted to say that I think that is the best political argument against this bill, that people would have to support a candidate indirectly through their tax dollars that they don't actually agree with their views.

"But I think the taxpayer should also be looking at who they want to be the biggest donor to any particular campaign. I think it is important to consider the possibility of the taxpayer themselves being the biggest donor to any person's campaign instead of a corporation or a political action committee or a labor union or a wealthy individual can write a big check to any one of us.

"I think the cost of this, first of all, it's voluntary so no one has to do it if they don't want to. But if, say, pretty much everybody did do it, say there were three candidates per House seat and three for each Senate seat that was up that year. Of course, the Senate tends to be up only every other cycle. The cost will be about \$8 million. That's less than 1/10th of 1% of the total budget. The total budget is approaching \$12 billion. The amounts of money we're talking about to make democracy work better aren't very big.

"So I hope Members will consider moving forward with this and I guess we really should all be asking for conflicts of interest on this one as well because obviously we're all incumbents and we're voting about our own future. So, thank you very much."

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

"Mr. Speaker, I'd like to ask for a ruling on a potential conflict of interest. Well, as an incumbent, this is probably more advantageous to me to get the requisite signatures, requisite \$5 donations, to fund a campaign. Thank you," and the Chair ruled, "no conflict."

Representative McKelvey rose, stating:

"Just a point of clarification, Mr. Speaker. On the description for the House Draft 2, it says it exempts all State Senators and State Representatives from the scope of the bill."

At 11:27 o'clock a.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 11:28 o'clock a.m.

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

"Mr. Speaker, I will stand with reservations. My concern is, first-in-time, first-in-line, and this could provide candidates who file early an advantage, where candidates who come in at the last minute may not be able to receive funding due to the fact the funds may have expired."

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

"Mr. Speaker, ruling on potential conflict. I am currently an elected official," and the Chair ruled, "no conflict."

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

Representative Ing rose to respond, stating:

"Still in support. Just a small point regarding previously stated comments. I think that entering the race late in terms of fund-raising is a disadvantage whether it's public or privately funded."

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

"Thank you, in strong support. I'd like to note that in the last Legislature, of all elected officials in the House and Senate it's very easy to see that more than half the money raised came from outside the boundaries of our districts from other interests. This would help answer that question as to whether our constituents want us beholden to the folks who raise money for us who may not be from our district or a state to which we are going to be accountable and whose intentions we support with our actions here. Thank you."

Representative Tokioka rose, stating:

"Mr. Speaker, a point of information. So as all of us in here are elected officials, is that a blanket order."

The Chair then stated:

"That would be a blanket 'no conflict'."

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

"Thank you, Mr. Speaker. Slight reservations. 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. 1481, HD 2, entitled: "A BILL FOR AN ACT RELATING TO CAMPAIGN SPENDING," passed Third Reading by a vote of 48 ayes to 3 noes, with Representatives Fale, Har and Oshiro voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 765) recommending that H.B. No. 7, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 7, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE ELDERLY," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 766) recommending that H.B. No. 407, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 407, HD 2 pass Third Reading, seconded by Representative Awana.

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

"Thank you, Mr. Speaker. I rise in strong support of this measure. Breast cancer is one of the most common cancers among women here in Hawaii. The Hawaii Breast and Cervical Cancer Control Program provides critical screening and early detection to women who are at high-risk that are uninsured and underinsured, having incomes below 250% of the federal poverty level. This funding is essential for these women and so I ask for all support. Thank you."

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

"In strong support and permission to insert written comments. Thank you."

Representative Fukumoto's written remarks are as follows:

"Mr. Speaker, I stand in support of House Bill 407 HD 2, which appropriates funds to the Department of Health for the Comprehensive Breast and Cervical Cancer Control Program. It supports early detection, screening, and treatment of breast and cervical cancer by appropriating \$100,000 for each year of the fiscal biennium.

"Providing this additional funding will preserve a critical safety net for thousands of women, who will remain uninsured or underinsured and will lack access to essential screening, diagnostic, and treatment services. This provides low-income, uninsured, and underserved women access to timely, high quality screening and diagnostic services to detect breast and cervical cancer at the earliest stages and refer women with cancer or pre-cancerous conditions to treatment. Early detection of cancer greatly reduces treatment costs and increases survival rates. Thank you, Mr. Speaker."

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

"Mr. Speaker, I stand in strong support. I hope we can find the \$100,000 in each fiscal year to cover the costs, as it's a very important program. 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. 407, HD 2, entitled: "A BILL

FOR AN ACT RELATING TO CANCER," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 767) recommending that H.B. No. 417, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 417, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION," passed Third Reading by a vote of 51 ayes.

At 11:33 o'clock a.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 90, HD 2
H.B. No. 343, HD 2
H.B. No. 1481, HD 2
H.B. No. 7, HD 2
H.B. No. 407, HD 2
H.B. No. 417, HD 2

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 768) recommending that H.B. No. 658, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 658, HD 2, entitled: "A BILL FOR AN ACT RELATING TO DENTAL HEALTH," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 769) recommending that H.B. No. 908, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 908, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII HOME VISITING PROGRAM," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 770) recommending that H.B. No. 115, HD 2, as amended in HD 3, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 115, HD 3, entitled: "A BILL FOR AN ACT RELATING TO HIGHER EDUCATION," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 771) recommending that H.B. No. 191, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 191, HD 1 pass Third Reading, seconded by Representative Awana.

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

"Thank you, Mr. Speaker. I'm rising to vote against the bill and to say a few comments. Thank you. House Bill 191, Relating to Small Boat Harbors, authorizes the Board of Land and Natural Resources to consult with and receive assistance from the HCDA with regards to planning, developing, operating, administering and maintaining small boat harbors.

"When you look at the testimony from Department of Land and Natural Resources you'll see the nexus of this bill with something else that we in this Body have voted to repeal. And I quote from the Chairperson, 'as part of the administration's proposed revisions to the Public Land and

Development Corporation law, HCDA is contemplated to assist the Department with development expertise.'

"I don't like this nexus with the PLDC, Mr. Speaker, but even more, I'll quote from testimony in strong opposition to House Bill 191. And I quote, 'HCDA does not manage harbors. In fact, due to this innate inability they have found it necessary to sub-contract their harbor management assignment to a certain chosen private party, thus layering the cost of managing the harbor and increasing this cost to state taxpayers.'

"Another testifier goes on, 'the HCDA has proven itself to be dismally ineffective at operating, administering and maintaining Kewalo Basin Harbor. I can't speak much to their planning and developing skills, but every time I see one of their plans, the first thing that comes to mind is, what are they thinking, or, what are they smoking at their office parties?' And the testifier concludes, 'we wish that Kewalo Basin Harbor was run by the DLNR.'

"There's more opposition to it, Mr. Speaker, that rather than correct any deficiencies of the experienced and capable DLNR's division of boating and ocean recreation, House Bill 191 proposes to place the HCDA, which is proven to be problematic, at the center of management of all harbor operations. This is a move that will complicate and add an additional layer of bureaucracy.

"They go on, 'HCDA does not employ a proper maintenance staff with the skills to repair and maintain the pier where customers are boarded.' The testimony was quite negative as to HCDA's management skills, Mr. Speaker. And even more so I don't like the nexus with the Public Land Development Corporation. That's where this bill generated, that's its generation, and I think that we should not move this forward. Thank you."

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

"Thank you, Mr. Speaker. In support. This bill does not have anything to do with PLDC. Basically what it does is it just authorizes the HCDA and the Department of Land and Natural Resources to talk to one another. This administration, since they came on board, told us that we have to stop working in silos and we have to work collaboratively in terms of expertise and talking to one another to get the people's business done. There was never any connection with this to the PLDC.

"There was a bill, I think we heard along with the PLDC, that the Governor supported some authority for parks and harbors. That bill died in committee and that would have given maybe some authority to HCDA to work on harbors. But that's not what this bill is about. It's just they may consult and talk to one another.

"Kewalo Basin is a harbor under HCDA's jurisdiction and they've been working a lot on doing planning and doing business plans and floating bonds and through time have learned a lot of expertise. I don't think it hurts at all that the Department of Land and Natural Resources can at least sit down at the same table and talk to them. At this point in time, they can't. We have, I don't know, I guess some people call it firewall, but there's a wall there where they cannot talk to each other. This just allows that.

"I think the previous speaker spent a lot of time talking about why people don't like HCDA, but that's not what this bill's about. Thank you."

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

"Mr. Speaker, I rise in opposition. Mr. Speaker, if anybody looks at the DNA, this is clearly a child of the PLDC. There are two children actually. There's a PLDC harbors and there's a PLDC DOE, which we'll get to later. But what we need to do is to take a deep breath, step back, clear the slate, start over again instead of trying to euphemize that this is something other than what we've already killed. Thank you, Mr. Speaker."

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

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

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

"Mr. Speaker, in support. This is not PLDC and we actually voted down a harbor's version of PLDC. That's HB 492 and that's another bill, for clarification."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 191, HD 1, entitled: "A BILL FOR AN ACT RELATING TO SMALL BOAT HARBORS," passed Third Reading by a vote of 49 ayes to 2 noes, with Representatives Thielen and Ward voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 772) recommending that H.B. No. 193, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 193, HD 1 pass Third Reading, seconded by Representative Awana.

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

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

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

"Mr. Speaker, I'm going to be speaking with reservations. My concerns are as follows. This is dealing with the Land Use Commission for extension of time for a completion of district boundary amendment, section 205.

"It basically states that, if a person who has petitioned for a district boundary amendment that has been approved by the Land Use Commission requests an extension of the time period to comply with any requirement, term, or condition imposed by the Commission as part of the approval of the amendment, the Commission shall extend the date or time by which the requirement, term, or condition must be completed for at least two years, provided that the appropriate officer or agency identified under section 205-12 of the county determines that the petitioner has substantially commenced development of the property in accordance with the terms and conditions imposed.

"Other good cause exists to extend the date or time for completion of all commissioned-imposed requirements, terms, and conditions of the district boundary amendment, and the requirement, terms, and conditions of the extension of date or time shall not be more restrictive than those contained in the commission.

"In other words, it's a default of automatic extension on a PUC land designation approval. This is an extraordinary change of the current law, the current practice, the current state of law, the current case law on the books today. And I'm just sort of surprised that none of our environmentally active friends have called us about this bill. So there must be something good in this bill, Mr. Speaker, so that's why I'm voting with strong reservations. Thank you."

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

"Thank you, Mr. Speaker. I would like to ramp it up one and I'm going to be voting no. And Mr. Speaker, if I could have the remarks of the previous speaker put in the Journal as if they were my own, please," and the Chair "so ordered." (By reference only.)

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

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

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

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

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

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

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

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

"Mr. Speaker, may I request a ruling on a potential conflict? I'm a land use attorney. Thank you," and the Chair ruled, "no conflict."

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

"In strong support. Thank you."

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

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

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

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

"Thank you, Mr. Speaker. I rise in support. Thank you very much. I just want to point out that the Land Use Commission clearly does their job designating what should be urban, conservation, agriculture, rural, and I really appreciate the work they do.

"After they do that, when it comes to the development of the land, you're working with the local county. The county is the one on the ground working with the developer, making sure that they're working on process.

"It's very clear that what this law is saying is, if the Land Use Commission is considering some action, that in fact they will have to now interact with the local planning director and the department to determine if in fact there is work that's been commenced on property, that in good faith the developer is working hard on the project.

"I think that involving the county, because sometimes people may come back and say, we want to extend it because of the recession, because there were problems in our financing. They may say, can we have another year, but we're in the middle of the permitting and we're doing it in good faith.

"I don't know if people realize, but because we cut so much in our funding, the processing of sewage treatment plants and water systems really slowed down. Here's an opportunity for the Land Use Commission to actually work with the local departments and find out, are they in fact doing what they need to do to move this project forward. I think there's nothing wrong with this.

"We're encouraging development in Hawaii. People spend \$20, \$30, \$40 million, they're in process, and I think this is just good business. Thank you."

Representative Oshiro rose to respond, stating:

"Thank you, Mr. Speaker. I appreciate the comments of the Representative from Kona and maybe the necessity for this kind of

discussion, but nothing prevents that discussion from occurring today under the current law and rule and rulings of the Circuit Court and the Supreme Court on the Land Use Commission's prior decisions.

"Again, this is a mandate that they will grant the two-year extension, at least two years extension, upon the petitioner coming in. And there are no additional conditions or requirements to be imposed upon the prior awardees. So those are my concerns, Mr. Speaker.

"And secondly, just to clarify the record, earlier I had said that I'll be voting with reservations, in fact I'll be voting no, and I've given a green slip to the Majority Floor Leader. Thank you very much, Mr. Speaker."

Representative Har rose to respond, stating:

"Thank you, Mr. Speaker. Still in strong support. Mr. Speaker, may I please have the words of the Chair of Water & Land entered into the Journal as if they were my own," and the Chair "so ordered." (By reference only.)

Representative Ward 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. 193, HD 1, entitled: "A BILL FOR AN ACT RELATING TO LAND USE," passed Third Reading by a vote of 48 ayes to 3 noes, with Representatives Coffman, Oshiro and Thielen voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 773) recommending that H.B. No. 194, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 194, HD 2 pass Third Reading, seconded by Representative Awana.

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

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

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

"Thank you, Mr. Speaker. I just wanted to speak in reservations on this measure. I think this is a \$275,000 expenditure in Fiscal Year 14-15, and I think after that it's revenue gain of \$251,000. I just have concerns about the source of funding and how this measure is prioritized within our current financial plan and balanced budget responsibilities. Thank you."

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

Representative Oshiro rose, stating:

"Mr. Speaker, I'm sorry I made a mistake there. I was speaking on Standing Committee Report 774. On 773 I'll be going with reservations. I have concerns about giving, I think these are tax credits for preservation purposes of historic homes. Thank you."

At 11:49 o'clock a.m., Representative Har requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 11:50 o'clock a.m.

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

"Mr. Speaker, on 773, I apologize. I'm somewhat new at this, I'm a novice at this process. I have concerns on this bill. If you look at page 6, it

sets forth in quite descriptive detail the requirements for the State Historic Preservation Officer. I think if it's applied to the appointment process of the selection, recruitment of the State Historic Preservation Officer, I think you might have a little difficult time fulfilling all these requirements on that very important position.

"But what I find very troubling is also section 4. This is the first time I've seen something like this in a bill being proposed for passage by us. It states, the employee occupying the division administrator position of the Department of Land and Natural Resources State Historic Preservation Division on the effective date of this Act shall not be transferred, demoted, or otherwise dislocated from that position solely as a consequence of this Act.

"Concerns I have are, number one, it may create a cause of action for the transfer, demotion, or termination or otherwise removal of that individual regardless of the language restricting it too slowly. There's still enough language there to still probably give the person a cause of action against us. Of more concern is that you'll put this into a session law protecting this one individual. I just can't understand that.

"So those are my concerns, Mr. Speaker. Effective date of July 1, 2030, so perhaps we can fix those concerns in the next iteration. Thank you."

Representative Jordan rose to respond, stating:

"Thank you, Mr. Speaker. Still noting my reservations on this measure and I just wanted to point out to the Body that this is creating a new position, and contrary to the other appointments that our Bodies do with the Governor, this one would exempt the Senate confirmation process. I think that is something we should clearly look at, when the Senate does confirm appointees from the Governor. This one is requesting not to do that process.

"So we should be just cautious going forward. I do look at the continued discussion until 2030. Thank you very much."

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

"Thank you, Mr. Speaker. In support with slight reservations, and first of all may I please have the words of the speakers from Wahiawa and Waianae entered into the Journal as if they were my own.

"And secondly, very briefly, Mr. Speaker, as the former Vice Chair of Water, Land, & Ocean Resources, in 2010 our State Historic Preservation Division was put on high alert status by the National Park Service. So for those of you not here, what that means, that is very grave consequences for the State of Hawaii.

"For every federal project that the state works on where federal monies are involved, our State Historic Preservation Division, also known as SHPD, has a requirement to sign off. The fact that we are now on high alert status means that every single federal project could be held up if our SHPD is decertified.

"So at this point we are still waiting, and unfortunately due to sequestration we have not had the opportunity to meet with Washington DC NPS organization to finalize whether we are now going to be off of high alert status.

"So, on one hand I do support having certain measures in place for the SHPD administrator, because at the end of the day this person is in charge of so many far reaching areas that would affect our daily lives. So I support whole heartedly having in statute some certain prerequisites in place for that person. But for the same reasons mentioned by my colleagues, I do stand with reservations. Thank you, Mr. Speaker."

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

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

"Mr. Speaker, I rise in support of this measure. I just wanted to clarify that the purpose of this measure is basically to increase standards in our Historic Preservation Division office. And the bill attempts to do that by converting all of the positions to civil service positions where minimum qualifications and vetting would be done in hiring practices in the future. The one exception is for the administrator who will continue to serve at the pleasure of the Governor. 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. 194, HD 2, entitled: "A BILL FOR AN ACT RELATING TO HISTORIC PRESERVATION," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 774) recommending that H.B. No. 988, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 988, HD 2 pass Third Reading, seconded by Representative Awana.

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

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

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

"Mr. Speaker, in opposition with just quick remarks. I understand that the intentions of the bill are very good. It's just a matter of what I would see as my own priority for my community. The first priority that I have for my community is to help a significant portion of my community rise out of poverty which includes a lot of mobility. And this bill would, I believe, hinder the mobility of those members of the community to try and help them rise out of those conditions, Mr. Speaker.

"Any increase on taxes relating to fuel, which is our main source of movement, would further hinder their efforts to rise out of poverty, Mr. Speaker. For those reasons, I'm in opposition."

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

"Thank you, Mr. Speaker. In opposition. I agree with the comments made by the Representative from the North Shore. I think the only thing that I would like to echo in my opposition is that primarily I am for wild life conservation and remediation, so I think the intent of the bill is certainly a good one. I would prefer a different funding mechanism. One that is not necessarily born by the consumer in a way that they may not necessarily understand. Thank you."

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

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

"Thank you, Mr. Speaker. I'm standing up in opposition. Mr. Speaker, brief comments. I understand the valuable need for this measure. I'm also concerned that this barrel tax increase would have a negative impact in our community. I just wanted to highlight to Members who pay attention to what's going on in our community. Just in today's paper it was noted that our Honolulu gas prices were raised about 2.6 cents per gallon this week, with an average of \$4.30 per gallon, according to Gas Buddy.

"So, Mr. Speaker, bills like this that affect petroleum, which affects our ability to do commerce, move our children from school to home, I think will have a negative impact on struggling families, especially those of the middle and lower income. Thank you, Mr. Speaker."

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

Representative Oshiro rose to respond, stating:

"Thank you, Mr. Speaker. I just wanted to make a couple of points. First of all, may the words of the Representative from Waialeale be entered as my own on the rise of the gasoline price.

"Two concerns. First of all is the creation of the Wildlife Recovery and Rehabilitation Special Fund. It would not only receive a portion of the barrel tax that is currently being reprogrammed to go back to food and energy security, but in fact create a stand up new fund just for the purposes of dealing with Hawaii's native wildlife through emergency response, rehabilitation, education and research.

"It's a stand up facility, it's not only dealing with those birds when they are affected by oil or spills, but also the research and education of those wildlife in this area. I think it's very important, but again balanced against the cost to the barrel tax and the need to make sure we can fund the current food, energy, security proponents portions of that. I think that trumps this one.

"Secondly, I think Mr. Speaker, is that it raises the barrel tax from \$1.05 to \$1.07. That may be only 2 cents but I think when you consider the millions of gallons of oil that we bring in at 55 gallons in a barrel, it's quite a sizeable sum of money. I think the Department of Taxation testimony said it's anywhere from \$275,000 into this new fund on an ongoing basis. That's why I'm voting no. Thank you."

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

"Thank you, in support and I just wanted to note that out of Finance the House Draft 2 deleted the increase in the barrel tax. It's a blank amount."

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

At 12:02 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 12:03 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. 988, HD 2, entitled: "A BILL FOR AN ACT RELATING TO NATIVE WILDLIFE," passed Third Reading by a vote of 31 ayes to 20 noes, with Representatives Aquino, Cheape, Choy, Coffman, Cullen, Fale, Fukumoto, Hanohano, Har, Hashem, Ichiyama, Ito, Johanson, McDermott, Ohno, Oshiro, Say, Takayama, Tokioka and Yamane voting no.

At 12:06 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 658, HD 2
H.B. No. 908, HD 2
H.B. No. 115, HD 3
H.B. No. 191, HD 1
H.B. No. 193, HD 1
H.B. No. 194, HD 2
H.B. No. 988, HD 2

Representative Tsuji rose, stating:

"Mr. Speaker, with your kind permission could I review again SCR 774, HB 988. I believe I submitted my green slip."

At 12:06 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 12:07 o'clock p.m.

The Chair then stated:

"Representative Tsuji, we already took action on the measure but for the Journal I will instruct the Clerk to include a no for you. But again to the Members, please I know it's getting to be a long morning but after the vote is counted by the both the House and the Senate, it's too late to include your vote except in the Journal. Thank you very much."

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 775) recommending that H.B. No. 1074, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1074, HD 2 pass Third Reading, seconded by Representative Awana.

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

"Thank you, Mr. Speaker. Please note my reservations and a brief comment. Noting the testimony from Department of Taxation in the Finance Hearing, this would cost us about \$6 million in the first year and \$12 million thereafter every continuous year. Although I do support the intent, I think we should be more fiscally broader on what we're doing going forward and I continue the discussion again until 2013. Thank you."

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

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

"Thank you, Mr. Speaker. I rise in opposition on House Bill 1074, House Draft 2. I'd just like to echo the comments of the previous speaker, that I can see no pressing need to provide this very generous income tax credit for individuals, corporations, who would be rehabilitating their historic structures.

"Again, I'm looking at it from the fiscal aspect of what it might mean to the General Fund. Again, DOTAX, the Department of Taxation, states that it might result in a revenue loss of \$6 million in Fiscal Year 2013 and \$12 million for every year thereafter. That's quite a lot of money that's going to be drained from the General Fund that could go to cover a lot of the cost of the programs that we're advancing today, in the new programs especially. So, those are my concerns.

"I'll be voting no. I think this is not the right tax policy for us to be considering today. Especially in light of the concerns that we have to address on the horizon given the effects of the sequestration, the Inouye cliff. I think we need to maintain the public faith appropriately. Thank you."

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

"Thank you, Mr. Speaker. In opposition with brief comments. Mr. Speaker, first may I have the comments of the speakers from Wahiawa and Waianae entered into the Journal as if they were my own.

"Secondly, my only concern with this bill, it is well intended but the fact of the matter is this. Many structures falling under historic preservation are already exempt from taxes, meaning real property taxes. To give them this tax credit, this refundable tax credit, I think is a little bit over broad in my opinion. For those reasons, I stand in opposition. Thank you."

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

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

"Thank you, in support with reservations. I just wanted to say that I appreciate the recapture provisions put into this bill which gives me a lot more confidence in it. I do think the underlying attempt is a very good one. I do worry though that given how similar tax credits have been subject to abuse, there are certain concerns still lingering. Thank you."

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

"Mr. Speaker, in support with reservations. I really like the innovative way that this bill goes about to try and preserve. Because our state is so rich in culture and in heritage, efforts to preserve that culture and heritage I think are very good and this is an innovative way to do that. I do have concerns, and I would like to have the words of the Representative from Moanalua inserted as if they were my own."

Representative Say 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. 1074, HD 2, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Third Reading by a vote of 44 ayes to 7 noes, with Representatives Cabanilla, Choy, Coffman, Hanohano, Har, Ito and Oshiro voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 776) recommending that H.B. No. 1292, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1292, HD 1 pass Third Reading, seconded by Representative Awana.

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

"Mr. Speaker, with reservations and just a couple of comments. For big pieces of property or big pieces of land or something of historic value, I believe that this measure has a lot of merit. Although I can't imagine an administration, for example, suggesting that we sell Iolani Palace or something, but I think in a situation like that, the Legislature would certainly want to have a say.

"But for little, in my understanding this applies to land parcels of any size, and it just doesn't seem to me like it's necessary. I was involved a few years ago in construction of a city park on what was then state land at the end of Pele Street just below the freeway, it's 1/10th of an acre. And if the community activist who pushed for the creation of that park had had to have a legislative vote with a 2/3rd's majority to transfer 1/10th of an acre that no one was really concerned about, I don't know, it just seems like a waste of a legislature's time.

"I'm also concerned about the 2/3rd's majority. I don't know why we need to have 2/3rd's, why can't it just be a regular majority vote. But in any case I do support it and talking about it but I do think there are some problems with it. *Mahalo*."

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

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

"Thank you. In support with reservations and I would like the words of the Chair of Judiciary entered in the record as if they were my own. One other brief comment. I do have a concern about how this would impact executive orders of transfers of land between government entities like the state and the county, which occurs quite often, for the betterment of the public. Thank you very much."

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

"Thank you, Mr. Speaker. In opposition, brief comments. Thank you, Mr. Speaker. I know that this bill is well intended and I really want to thank the introducer of this measure because I know exactly why he did it and I do commend him. Truly, this bill has well intentions.

"But first and foremost, Mr. Speaker, may I ask that the words of the Judiciary Chair be entered into the Journal as if they were my own. Secondly, my concern as a land use attorney. Oh and Mr. Speaker, may I please have a ruling on a potential conflict. I'm a land use attorney," and the Chair ruled, "no conflict."

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

"So getting back to the issue of remnants, which I think the Judiciary Chair touched upon. For those of you who understand how remnants work, there is a specific section in Chapter 171 dealing with remnants. And the problem with this particular measure as it stands, it does not give the Department the ability to deal with remnants, which is what I think the Judiciary Chair was talking about.

"The fact is if we have to require legislative approval for all of these tiny remnants, the fact is we're in session from January to May and oftentimes the DLNR needs to have that latitude to do exchanges for remnants. It just practically doesn't make any sense. So that's my first concern.

"Secondly, Mr. Speaker, having been a Member of this Body for seven years now, unfortunately I do have concerns to the extent that any time you put things into the hands of legislators, it becomes politicized. That is a grave concern for me.

"The fact is, all of a sudden there could be a project in somebody's district. And let's say it could be a very well intentioned project, it's community support, a community center, but for whatever reason certain activists are opposed to development, whatever the case may be. Then you now subject this particular project that could be supported by the community and the Department of Land and Natural Resources to being politicized. You then have people lobbying Members of this Body to do the right thing, and that's the worst possible case scenario.

"Finally, Mr. Speaker, this is the most egregious of all matters and why I have concerns about this. No elected official should ever use his or her position subject to a vote. But I do have concerns because we're dealing with land acquisitions and transfers and exchanges, the fact is, in the worst egregious case you could have a politician who could very well use his or her position and get other votes to say we're not going to stop your project unless you give us money, a contribution.

"So for those reasons, Mr. Speaker, and I think in the immortal words of Thomas Jefferson, and I quote, 'my reading of history convinces me that most bad government results from too much government.' Thank you. For those reasons I stand in opposition. Thank you."

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

"Thank you, I rise in support. I really appreciate the previous comments from all the speakers because clearly this bill does need some work. I think any concerns need to be addressed as it moves forward. But I think the underlying point of the bill is really a good public policy. And the reason, as stated by the previous speaker, that things get politicized, and so you worry about obviously getting approval.

"But the way the current law is, is that these fee simple lands can be disposed of and then you'd have to come back to the Legislature to disapprove it. And my concern has always been, since I've been here, is that these deals take place, and the public which is represented by the elected official doesn't know it's taking place. And you're only given the next legislative session to disapprove it. So there's a time clock, there's a limited clock on it.

"So the reality is this stuff can happen under the radar screen where the public and elected official doesn't even know, and I think that is legitimate

that we move this forward and try to figure out how to solve that problem. Thank you."

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

"Thank you very much. In support. Just to respond to a few of the scenarios put out there. Indeed there's the potential that someone could come in and bribe perhaps 2/3rds of the Legislature to have us pass something. But I think the far more realistic and far more dangerous scenario is that in a disapproval process, you're going to have a far easier time bribing one or two people, perhaps a particular Committee Chair, to not hear a bill required to pass in order to prohibit a sale of land.

"So if there is a project that somebody really wants, it's far easier under this existing setup to make sure that it's going to happen in your favor. Thank you very much."

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

"Thank you, Mr. Speaker. In support. And I do want to thank the introducer of this measure because I think we as a Body should be protecting these particular lands, especially the types of lands that we have in this State. I do realize it's a 2030 date and there needs to be some more discussion on remnants or smaller pieces, but I appreciate the introduction of the measure and I do support it. Thank you, Mr. Speaker."

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

"Thank you, in support. I just want to mention that I think this reflects a shift in this Body to be a little more conservative as we look at our public lands. I think it's a very good step. I think we do need to be critical before we liquidate our precious public lands. *Mahalo*."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1292, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC LAND," passed Third Reading by a vote of 45 ayes to 6 noes, with Representatives Hanohano, Har, Ito, Oshiro, Say and Tokioka voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 777) recommending that H.B. No. 1330, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 1330, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE DIVISION OF CONSERVATION AND RESOURCES ENFORCEMENT," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 778) recommending that H.B. No. 70, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 70, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ECONOMIC DEVELOPMENT," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 780) recommending that H.B. No. 473, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 473, HD 1 pass Third Reading, seconded by Representative Awana.

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

"Thank you, Mr. Speaker. On Stand. Com. 780, please note my reservations and also the testimony by DOTAX on what this measure could cost us. In the first year, \$1.2 million. Lying out the next six years would cost us \$2.4 million each year. Thank you very much, Mr. Speaker."

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

"Thank you, Mr. Speaker. In opposition. My opposition is really two fold. Mr. Speaker, first and foremost before I go on with my opposition, I would like to note for the Member's benefits that we do have something called the Hawaii's Enterprise Zones Partnership Program. For those of you who are not familiar with Enterprise Zone Programs I would suggest that you read this to understand exactly what an Enterprise Zone is.

"But for the benefit of the Members, very quickly I'd like to quote, 'the usual purpose of Enterprise Zones is to reduce poverty and spur economic development by coordinating incentives for investment and job creation to clean up blighted areas.' ... 'In order to be most effective, the most successful Enterprise Zone programs also include governmental financial and administrative resources such as grants, loans, and venture capital along with staff that can undertake zone marketing efforts and provide support services for zone firms.'

"In addition, counties provide incentives to make the Enterprise Zones work. These include but aren't limited to incremental property tax relief, zoning, building fee, and permit waivers or variances, priority zoning or building permit processing.

"So that's for some of the Members who are not clear on what's going on with Enterprise Zones. My concern here, Mr. Speaker, is this. NELHA is a wonderful program. And I think that I understand the intention from the introducers of this measure. We want to support this program, but the fact of the matter is we already do. I would direct the Member's attention to Chapter 227. NELHA already has exemptions from taxation and competitive bidding, there's no legislative oversight over NELHA. The fact of the matter is, is that they are completely special funded and they have preferential treatment over the land as well as the ocean resources.

"So to now give them the enterprise zone tax credit allows them to essentially double-dip, and for that reason, Mr. Speaker, I stand in opposition. Thank you."

Representative Ito 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. 473, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY," passed Third Reading by a vote of 45 ayes to 6 noes, with Representatives Choy, Hanohano, Har, Oshiro, Say and Tokioka voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 782) recommending that H.B. No. 1188, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 1188, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ECONOMIC OPPORTUNITY POVERTY REDUCTION TASK FORCE," passed Third Reading by a vote of 51 ayes.

At 12:25 o'clock p.m., Representative Tokioka requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 12:25 o'clock p.m.

At 12:26 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 1074, HD 2
H.B. No. 1292, HD 1
H.B. No. 1330, HD 1
H.B. No. 70, HD 2
H.B. No. 473, HD 1
H.B. No. 1188, HD 1

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 783) recommending that H.B. No. 1298, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1298, HD 1 pass Third Reading, seconded by Representative Awana.

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

Representative Ohno's written remarks are as follows:

"Given a chance, all people can succeed. Members of our communities with intellectual or physical disabilities successfully rise to the challenge of overcoming their limitations each day, but are often overlooked or excluded from ordinary opportunities like employment. This measure rewards businesses that also rise to the challenge of inclusion for all individuals in our state and promote diversity in our workforce. In addition, we open employment doors for those with disabilities, building their confidence and empowering them to improve their lives."

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

"Mr. Speaker, I stand in strong support of this income tax credit. If we are to give income tax credit, Mr. Speaker, we should be doing this type of credit that helps the less fortunate. This is the reason why I think all the other tax credits are no good, but this credit is very good. Thank you, Mr. Speaker."

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

"Mr. Speaker, strong support, written comments please."

Representative Kawakami's written remarks are as follows:

"Mr. Speaker, I stand in strong support and I would like to thank my colleagues for their support. Mr. Speaker, I have had the privilege and honor to spend many hours working side by side with members of our community who have various disabilities. But I don't see them as disabled, I see them as extraordinary individuals with boundless abilities. These are individuals who take pride and ownership of the work they produce.

"While many people try to find ways not to get things accomplished, the men and women I have worked with will try to find every way possible to get the job done, even when faced with extreme adversity. Mr. Speaker, there still remains a social stigma that people with developmental and intellectual challenges cannot 'keep up.' I find this stereotyping absolutely heartbreaking and completely unfounded. In fact there is a lot we could learn from disabled persons in our community and work force. I know I have. I have learned that they raise the morale and the work atmosphere, they raise the level of performance, and they raise the level of awareness at how capable and able bodied they are.

"This measure provides an incentive for the small local business community to help break down the walls of ignorance. I stand in strong support and stand ready to work side by side with my brothers and sisters with abilities any day of the week."

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

"Thank you, Mr. Speaker. In strong support. I'd like to ask if the words, I never thought I would say this in my life, but I'd like to ask that the words from the Representative from Manoa be inserted as my own on the tax credit. And I'd also like to thank the introducer of the bill. Thank you, Mr. Speaker."

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

"Mr. Speaker, same request. In support, with the words of the Representative from Manoa except striking the latter part of his comments," and the Chair "so ordered." (by reference only.)

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

"Mr. Speaker, in strong support. Just a few comments. I'm in complete support of the bill but I have a concern for the intended recipients in that once the credit expires after six months will they still be employed by the company or will they be let go because the credit is no longer available."

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

"In strong support."

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

"Very briefly, Mr. Speaker, strong support. Thank you very much. I thank the introducer of this measure. I think along with my colleague from Manoa, this is a well designed, limited in scope and application tax credit for those who are most needy in our community. The developmentally, intellectually or physically disabled constituents. Thank you very much."

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

"Mr. Speaker, in strong support and may I have the words of the Representative from Manoa and the Representative from Wahiawa adopted as if they were my own," and the Chair "so ordered." (By reference only.)

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

"Strong support. 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. 1298, HD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 784) recommending that H.B. No. 1402, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 1402, HD 2, entitled: "A BILL FOR AN ACT RELATING TO SOCIAL IMPACT BONDS," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 786) recommending that H.B. No. 858, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 858, HD 1 pass Third Reading, seconded by Representative Awana.

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

"Mr. Speaker, I rise in strong support of this measure. Mr. Speaker, I rise in strong support as a continuation of my remarks from Second Reading when I said, this is one of the few bills that uses the 'e' word, entrepreneurship. Entrepreneurship is written all over this because it's about a high growth initiative to stimulate our high tech businesses. Mr. Speaker, this bill will help us overcome a couple of problems that we have in Hawaii.

"One is our total over-reliance on tourism. Mr. Speaker, we have lived off of our good looks for too long, we now have to start living off our brains. This is one of the transitional bills to do that.

"Secondly, Mr. Speaker, we have a reputation of being anti-business, we have a reputation of being closed for business. Mr. Speaker, this Legislature needs to be more open for business and able to 'grow the pie' rather than just keep slicing it up the way we do every year with our budget. We need to be thinking 'growing the pie' and being open for business.

"But this bill follows what otherwise the federal government has taken the lead on and that is there's \$100 billion that we put into high tech research and high tech development for our companies. Mr. Speaker, the reality is that only 1% of our corporations are exporting, we need to stimulate them in a high tech industry. After all, we have the most innovative, creative brains in the world. We used to have all the money also, but now we're on borrowed money. So Hawaii needs to get on the bandwagon with what's going on in the rest of the world.

"Mr. Speaker, it's critical for our state in the sense that we need to be reminded that 85% of all jobs, I repeat, 85% of all jobs are private sector jobs. It's not the government that hires people. 15%, 20% at the most. 70% of all new jobs come from new businesses. In Hawaii we are really a micro business state. 52% of our employers have less than 5 employees. Those are kind of micro businesses. And 95% have less than 50 employees. 1/3 of our corporations are overseas corporations, which is good but we need to grow our own.

"My own office often promotes, contrary to the Eisenhower admonition about beware of the military industrial complex, we need an indigenous ownership of the military industrial complex. Mr. Speaker, what they do with the \$12 - \$14 billion military federal defense contracting spending is they fly in and parachute a guy down to do those contracts and then after getting the money 3 or 4 years later they fly out. We need to indigenize that entrepreneurship effort.

"Hopefully something will come out of this because some of the things that we have already done with our high technology is exemplified by Oceanit, Patrick Sullivan. He's been with his high technology saving lives by his advancements all over the world. Some of us had the honor to go to the convention center a number of years ago and to see his sniper fire tracing technology. Mr. Speaker, before the shot was even heard, he had a machine to show where the sniper was shooting from. That has saved lives because they know where to then engage the enemy.

"Those kinds of technologies are applied by searching out those companies in Hawaii and funding them, training them, mentoring them and hiring new people, diversifying our economy and harnessing our entrepreneurial talent.

"Mr. Speaker, I would be naïve to think this didn't have any detractors just like tax credit detractors or solar, tax detractors for other things. This is going to cost a few bucks. The federal government's thrown in \$100 billion. This I believe is only \$20 million. And it's something that when you look at the \$14 billion tourism economy, \$12 billion in military and federal and contract spending, Mr. Speaker, this is a drop in the bucket.

"So for those detractors I would say have a look at what government's role has been, particularly if you've been to Asia recently, and look at, as I learned while a student at the East West Center, ultimately all economic development is political if you trace it back and forth. Government has a role to play. It should be the referee. But in this case it should be stimulating, going forward and creating high growth for more jobs. Thank you, Mr. Speaker."

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

"Mr. Speaker, in support of the measure but I'm also looking forward to, we just passed a measure in support of a poverty task force, I'm looking forward to coupling what we find in those results with the efforts that are going to be necessary in the high tech industry, which will bring environmentally low impact but high paying jobs into our state, which is critical for the future, especially of our youth. That's all I have to say, Mr. Speaker."

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

"Thank you, Mr. Speaker. In strong support. This is like Part II of what we did last year when we set up this special fund working with DBEDT. Mr. Karl Fooks has done an extraordinary job. I think last year we started the program. I think this is the second allocation of funds they are seeking, \$10 million each fiscal year. The jury is still out on how successful this program has been, but I'm willing to keep this measure moving forward.

Again this is \$10 million each fiscal year. Total price tag, \$20 million. 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. 858, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HI GROWTH INITIATIVE," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 789) recommending that H.B. No. 742, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 742, HD 2 pass Third Reading, seconded by Representative Awana.

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

"In strong support of this measure, Mr. Speaker, for \$1 million general obligation bond for senior housing. I want to say that I fully support this measure even though it's not in my district. Thank you."

At 12:38 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 12:39 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. 742, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC HOUSING," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 790) recommending that H.B. No. 276, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 276, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE SENIOR RESIDENCE AT PIKIOI, OAHU," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 791) recommending that H.B. No. 532, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 532, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC HOUSING," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 792) recommending that H.B. No. 536, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 536, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC HOUSING," passed Third Reading by a vote of 51 ayes.

At 12:41 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 1298, HD 1
 H.B. No. 1402, HD 2
 H.B. No. 858, HD 1
 H.B. No. 742, HD 2
 H.B. No. 276, HD 2
 H.B. No. 532, HD 2
 H.B. No. 536, HD 1

At 12:41 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 1:26 o'clock p.m., with Vice Speaker Mizuno presiding.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 793) recommending that H.B. No. 1119, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1119, HD 1 pass Third Reading, seconded by Representative Awana.

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

"In support, Mr. Speaker. House Bill 1119, this is about the redevelopment of Mayor Wright Homes, Mr. Speaker. This development was built in 1953 right after World War II and it was named after the first Mayor George Wright in 1958.

"Having said that, Mr. Speaker, it's a very old housing development that has been costing the state millions of dollars every year. And I think it's about time to put a new building in it so we can decrease the cost of maintenance and we also can increase density, because there are about 10,000 people waiting on the wait list to get into public housing. This is a very good measure, Mr. Speaker, for our citizens and to increase the pool of affordable housing. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. In strong support. I would like the words of the previous speaker entered in the Journal as if they were my own except for the part that says World War II, please change it to Korean War. Thank you."

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

"Mr. Speaker, in support. I just want to thank the Chair of Housing for introducing this legislation. Everything she said was true, except maybe with regards to the war. Mayor Wright Homes definitely needs refurbishment, rebuilding and there's some huge development opportunities there. So thank you again to the Chair of Housing. *Mahalo*."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1119, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC HOUSING AUTHORITY," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 794) recommending that H.B. No. 486, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 486, HD 1 pass Third Reading, seconded by Representative Awana.

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

"Thank you, Mr. Speaker. At this time I rise in strong support of this measure. This bill appropriates funds for the Future Farmers of America and the 4H programs. There's a growing sense of involvement and interest in agriculture among the youth but unfortunately we don't really have the funds to support these programs.

"Qualified farmers are decreasing while the age of our farmers who work in the industry is increasing with the average age approximately 65 years old. One way to encourage youth to participate in these programs, increasing student's agricultural education, would give them the necessary

experience and skills to pursue a future in the agricultural industry while making them better students and citizens.

"My mother always used to tell me that they really need to have pineapple picking 101 in schools to teach kids what it is to work hard and really get their hands dirty. It's a value that is often missing from my generation. With this increased exposure and support, our *keiki* can help the State.

"I had the opportunity a month ago to judge a regional FFA competition where one of the competitors was a young woman from Aiea, an area that's not really well known for farming. She expressed her excitement for urban and backyard farms. FFA doesn't just aid students in rural communities but the entire State.

"What is often overlooked is many FFA programs are almost self sustaining. They grow their crops, they sell them at farmer's markets and they fund their own program. They also learn the value of how to recycle and reuse. One of the schools in my district found a bath tub on the side of a road and now has an aquaponic system. They get very creative. I appreciate the opportunity to express my views in strong support of this measure. Thank you."

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

"Mr. Speaker, I also rise in strong support. I want to highlight one of our remarkable teachers at Leilehua High School, Ms. Akuna, who is doing a heck of a job with the Future Farmers of America program at Leilehua. Thank you very much."

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

"Mr. Speaker, I'm standing in strong support. We are very serious about sustainability, especially in agriculture. These programs are very important to our youth and for the training of future farmers and ranchers. These programs in the past used to be very strong. Over the course of years they have deteriorated. This funding will help to revitalize these programs and bring them back into prominence in our schools. Thank you very much."

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

"Mr. Speaker, in strong support and may I have the words of the previous speaker adopted as my own," and the Chair "so ordered." (By reference only.)

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 486, HD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 795) recommending that H.B. No. 508, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 508, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE PROCUREMENT CODE," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 797) recommending that H.B. No. 1, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1, HD 2 pass Third Reading, seconded by Representative Awana.

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

Representative Fale's written remarks are as follows:

"Mr. Speaker, I rise in opposition of House Bill 1, HD 2. I do agree that it is important to discuss the need for long term health care in Hawaii, however I am not convinced that HB 1, HD 2 is the best approach to meeting this challenge. According to the bill description, this bill will establish a 'public long term care insurance program for the State's working population.'

"The National Association of Insurance and Financial Advisors (NAIFA) Hawaii, testified that, 'We do not support this measure because in principle, we are against a mandatory (tax) financing program.'

"Mr. Speaker, I believe as policy makers we should be looking into options other than a new tax to fund long term care insurance. NAIFA Hawaii further pointed out that no other state in the country has a state tax to fund long term care insurance.

"Mr. Speaker, for these reasons I rise in opposition of House Bill 1, HD 2."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1, HD 2, entitled: "A BILL FOR AN ACT RELATING TO LONG TERM CARE," passed Third Reading by a vote of 49 ayes to 2 noes, with Representatives Fale and McDermott voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 798) recommending that H.B. No. 24, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 24, HD 2 pass Third Reading, seconded by Representative Awana.

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

"Mr. Speaker, ruling on a potential conflict. I represent condo associations at my law firm. Thank you," and the Chair ruled, "no conflict."

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

"Ruling on potential conflict. I sit on a homeowner association. Thanks," and the Chair ruled, "no conflict."

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

"Mr. Speaker, similar request for a conflict. I'm the member of a condo association. Thank you," and the Chair ruled, "no conflict."

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

"Similar request, Mr. Speaker. Thank you," and the Chair ruled, "no conflict."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 24, HD 2, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUMS," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 799) recommending that H.B. No. 680, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 680, HD 2 pass Third Reading, seconded by Representative Awana.

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

"Thank you, Mr. Speaker. I rise with reservations. On one hand I can sympathize with some of the reasoning behind this bill. There have been some entities that have outright abused the current statutory structure of the conveyance tax law in attempt to avoid paying the tax. There have been testifiers who have criticized the loophole.

"I can understand the concern that the people in the businesses need to pay their fair share, but I feel that one of the areas that is overlooked in this bill is that it will hurt some of the small businesses. When you think of the conveyance tax you often think of large businesses and corporations. An area that is not as apparent is the effect it will have on family farms.

"When passing the business from one generation to the next, this current bill would put an undue hardship on agricultural businesses that are hanging on by a thread. My concern is what happens when mom and dad own 100% of a small family business and their kids want to take over.

"My point is this. The bill could have the unintended consequence of hurting us in an area that we're trying to support, an agricultural self-sustainability. So because of this I think there are a few farming families that are on the financial brink as it is and this conveyance tax could be the last straw in them continuing to farm.

"In an effort to stop abuses under the current law we may be painting with too broad of a brush. As the bill has a defective date I look forward to discussing these issues further with my colleagues, but based on my concerns I must vote with reservations."

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

"Thank you, in support with reservations. I do like the intent of the measure and I think it's important to close the loophole, which is why I will be voting in support of this measure. I do just worry slightly that it may have potentially adverse impacts on the broader investment climate in Hawaii. Thank you."

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

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

"Thank you, Mr. Speaker. In support. I do appreciate the comments of the previous speakers. We've tried to address these concerns in Committee. In particular, page 2 subsection 1 exempts any transfer or acquisition that consists of the change in identity or form of ownership of an entity where there is no change in the beneficial ownership, including transfers to an entity wholly owned, directly or indirectly, by the same common ownership as the transferor. So we are trying to address these concerns. We recognize it's a work in progress hence the defective date. Thank you very much."

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

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

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

"Mr. Speaker, thank you very much. In strong support. Just for the edification of the Members, if this law had been in place two years ago, when Mr. Ellison bought the island of Lanai from Mr. David Murdock, Castle & Cooke, I think we would have received anywhere from \$3 million."

At 1:37 o'clock p.m., Representative McKelvey requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 1:37 o'clock p.m.

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

"Thank you, Mr. Speaker. Just to clarify that Mr. Ellison wouldn't have paid the conveyance of the interest transfer cost, it would have been done by Castle & Cooke, who was the seller of the property. 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. 680, HD 2, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Third Reading by a vote of 50 ayes to 1 no, with Representative Fale voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 802) recommending that H.B. No. 505, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 505, HD 2, entitled: "A BILL FOR AN ACT RELATING TO GREENWAYS," passed Third Reading by a vote of 51 ayes.

At 1:38 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 1119, HD 1
H.B. No. 486, HD 1
H.B. No. 508, HD 2
H.B. No. 1, HD 2
H.B. No. 24, HD 2
H.B. No. 680, HD 2
H.B. No. 505, HD 2

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 803) recommending that H.B. No. 899, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 899, HD 2, entitled: "A BILL FOR AN ACT RELATING TO RECYCLING," passed Third Reading by a vote of 47 ayes to 4 noes, with Representatives Har, Jordan, Oshiro and Say voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 804) recommending that H.B. No. 1149, HD 2, as amended in HD 3, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1149, HD 3 pass Third Reading, seconded by Representative Awana.

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

"Mr. Speaker, I rise in strong support of this measure. Our State's dependence on fossil fuels is no secret, given our geographic location and our energy needs. This bill institutes standards and provides assurances of adequate financial resources for safe and proper decommissioning of wind energy facilities.

"I have a few wind energy facilities in my district, and that's something that's very important to us. I realize that some of the current companies in our area do have the decommissioning standards in their power purchase agreement, but I think it's important that we protect what is so beautiful about Hawaii and make sure that they get taken down. Thank you."

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

"Thank you, Mr. Speaker. I rise in strong support and ask that the words of the prior speaker be reflected as my own. I'd just like to add that in my current District 46, I probably have the most windmill turbines in any district in the State. Thank you."

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

"Mr. Speaker, with reservations. I've spoken with a number of the wind companies, especially those who have turbines in my district, and not a single one of them has not worked out a decommissioning portion of the contract that they sign.

"My reservations rise just from the fact that, this I believe should be left to the entities that are involved to work out what it is and not have the state insert themselves into the process and mandate something that should be handled between the entities involved. That's all I have, 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. 1149, HD 3, entitled: "A BILL FOR AN ACT RELATING TO WIND ENERGY FACILITIES," passed Third Reading by a vote of 51 ayes.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 806) recommending that H.B. No. 25, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 25, HD 2 pass Third Reading, seconded by Representative Awana.

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

"Mr. Speaker, I just want to request a ruling on a potential conflict. I'm a member of a condo association," and the Chair ruled, "no conflict."

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

"Mr. Speaker, ruling on a potential conflict. At my law firm we do foreclosures and we also represent condo associations," and the Chair ruled, "no conflict."

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

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

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

"Mr. Speaker, same request. I'm an officer on a condo association board. Thank you," and the Chair ruled, "no conflict."

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

"Ruling on a potential conflict, Mr. Speaker. I rent condos. Thank you," and the Chair ruled, "no conflict."

Representative Say 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. 25, HD 2, entitled: "A BILL FOR AN ACT RELATING TO SUSPENSION OF FORECLOSURE ACTIONS BY JUNIOR LIENHOLDERS," passed Third Reading by a vote of 51 ayes.

Representative Belatti, for the Committee on Health, presented a report (Stand. Com. Rep. No. 808) recommending that H.B. No. 1440, HD 1 pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 1440,

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

Representative Belatti, for the Committee on Health, presented a report (Stand. Com. Rep. No. 809) recommending that H.B. No. 1131, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1131, HD 2 pass Third Reading, seconded by Representative Awana.

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

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

Representative Fale rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered." [Note: Representative Fale later changed his vote to a no vote.]

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

"Reservations and I'm just little bit concerned that the cost of this may prohibit some families from sending their kids to school. But, those are my only reservations and if I can get further written comments, that would be great. Thank you."

Representative Fukumoto's written remarks are as follows:

"Mr. Speaker, I am voting in support with reservations on HB 1131, HD 2. The measure requires a child to have a dental examination prior to entering any elementary, middle, or high school for the first time in the State. While I appreciate the bill's intent to help ensure a healthy school population, I am concerned that some children and families across the state who do not have access to a provider will be unable to fulfill this entry requirement. This would have a negative impact on low-income student attendance in school.

"In 2009, the Department's public health dental program was eliminated as a result of budget reductions and there is currently no infrastructure to support full implementation. Many other factors can affect access, including: lack of insurance, high co-payments, limited availability of dental providers, transportation, and cultural and language competency. Children with special health needs may also experience difficulty finding dentists trained and willing to serve this population. Thank you, Mr. Speaker."

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

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

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

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

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

"In support. I do want to point out that the date that this bill would take effect is after ACA and many of the Hawaii Health Connector has been put into place, meaning that many of the families who may not be able to afford a dental exam, will so, under ACA or ObamaCare. Thank you."

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

"I'm rising against this measure. Essentially, the concern that I have is this would require, as a prerequisite to entering public school, to have a

report from a licensed dentist of a dental examination. I don't know what the nexus is between having a dental examination and entering a child into a public school system.

"I think there are some requirements right now on the books that require a child to maybe show some immunizations for certain infectious diseases, but I don't really understand the nexus or the requirement of preventing a child to be enrolled in school.

"The concern is that, at no fault of the child, but perhaps the guardian or the parents, maybe given their social-economic situation or the lack of affordable health care access or dental care access, they might not be able to get the dental examination. I think just to use this as a further barrier of the child to enter our public school system would hurt the child more than help them. That's why I'll be voting against it at this point in time. Thank you."

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

"Mr. Speaker, standing in support. Brief comments. I do not know the nexus of why the bill was put forward but I can speak to some of the questions that were previously discussed regarding the value of having children be required to do a dental examination.

"As many of you know, we have children who come in through immunization shot records as well as a physical. During their physical we check a child to see if they have vision or potential hearing issues that will impede their ability to learn.

"Mr. Speaker, dental examinations may seem benign, however, it is an important factor for a child's overall health. Mr. Speaker, there has been proof that poor dental and oral hygiene can lead to debilitating and at-risk life factors like coronary heart problems regarding valves, because of poor oral health. So, Mr. Speaker, at no fault of the child we should look at ways of getting these children evaluated as soon and as early as possible.

"Children who miss school due to poor health having debilitating cavities as well as teeth loss actually have been proven to have lower self esteem and some behavioral health issues. So, Mr. Speaker, I think this is a good step forward. Parents and those families that are unable to pay for their medical cost, this is a great opportunity for them to get access to free care or get their children at least signed up for insurance that is provided by the state government to cover their dental care. Thank you, Mr. Speaker."

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

"Mr. Speaker, in opposition with brief comments. First of all, may I have the words of the speaker from Wahiawa entered into the Journal as if they were my own. Secondly, just briefly, while I appreciate the intent of this measure, I think in response to what the Transportation Chair noted, this bill does in fact punish the child, and I think that is what the concern is.

"While the previous speaker said that this would be at no fault of the child, you are in fact punishing the child for the sins of the parent. Because now if the parent refuses to be responsible with their child's dental care, the child suffers. The child will be prohibited from entering into the public school system. For those reasons, I stand in opposition. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. Please note my no vote. Please also take into the Journal the words of the Representative from Wahiawa as if they were my own.

"Growing up as a child I was not covered under any dental plan. So, I look at this as a measure of one more step of trying to get a child into public education. I don't think we should be going there at this moment in time.

"I think it is a good measure, but if this was in place 50 years ago, I wouldn't have been in public school. Not contrary to what my parents provided or didn't provide, we just didn't have the service.

"I understand that there could be public services for these, but currently that system is not large enough or capable enough to take all of our public school children. So therefore, I am voting against this measure at this point in time. We should really look at this going forward. Anymore stumbling blocks for our children to enter public schools is not conscionable for me. Thank you very much."

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

"I rise in support with some slight reservations. I know on the Big Island we have our federally qualified community health centers that are doing dental examinations for children and adults, for those that can't afford private physicians. So, I really hope that our system that we have around the state actually supports families getting their dental care taken care of.

"The reason I support it moving forward is because, I do know one thing, if a child has tooth decay and lots of problems in their mouth it could really affect their learning experience. And as we're moving forward this session I believe we're supporting early childhood education and just looking at the needs of children that are entering school, kindergarten, first grade, second grade.

"Maybe the bill as it moves forward we'll see it come out in Conference modified and maybe it's down to just elementary school level, I don't know. But, I do think it's of value to keep it moving and keep the discussion going. Thank you."

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

"Thank you, Mr. Speaker. I'm in opposition to this matter. I do recognize the good intention of the bill. However, I'm looking at it that it could be a deterrent to those impoverished parents that may not be able to afford this. So, I think that we should encourage it, however, we should not make it a requirement. Thank you, Mr. Speaker."

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

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

"Thank you, Mr. Speaker. In strong support and just a few comments. I really want to thank the introducer of this bill because we've been struggling with the issue of dental health care and how can we ensure that more of our *keiki* have the important dental care that they need. And I think this bill actually represents out-of-the-box thinking. We have been focused on insurance and other issues, but this is looking at existing laws and existing requirements that ask that our children have physical exams.

"So, the nexus is that a dental exam is like a physical exam. It's an examination to ensure that the health and wellbeing of the child before they enter school is there, that they have the important health care and access to that health care available to them.

"What I think this bill also does, if you look at the language of the bill, there is actually a safe harbor. This in no way hinders a child from going to public school and it actually expands the window of time in which the child can get either their physical exam or dental exam, from 30 days to 90 days. So, this is a bill that actually, again I want to emphasize, it's out-of-the-box thinking, about how we can get our *keiki* the kind of good physical and dental care that they need. Thank you, Mr. Speaker."

Representative Yamane rose to respond, stating:

"Thank you, Mr. Speaker. I'll be brief, I just want to make a comment. If individuals or people have concerns regarding the impeding of students going into school, I do want to highlight that currently in state law we

require children to have immunization records proven, as well as they are required to have a physical. We specify within who can provide that, within 30 days prior to entrance into school.

"So, again, if the issue has been that we are putting up requirements to prevent children from entering school for a variety of reasons, again we have to look at eliminating those requirements as well. However, I think, Mr. Speaker, as we have our kids coming into school to give them the best opportunity to be successful, includes their ability to learn, their academic environment as well as their overall health. Thank you, Mr. Speaker."

Representative Ohno rose to respond, stating:

"I take the comments about deterring kids from going to school very seriously, and it was thought through. When a kid goes on a field trip and you ask them to pay money or bring a lunch, you can also see that as a deterrent to going on a field trip. Or, if a kid has a Christmas concert and they have to wear a red or a green shirt, you could also see that as a deterrent. But, many times these kids and their parents will rise to that challenge.

"I think also similarly with this bill, kids and parents will rise to the challenge that at least once during their childhood they will see a dentist. I think that's a standard that we can hold our parents to, particularly with ACA coming into effect. I think those kids will be thankful in 10-20 years when they have less cavities. Thank you."

Representative Cabanilla rose to respond, stating:

"Still in opposition. The opposition is not really too much on the examination. But, in the process of the examination if the child requires a lot of dental work, then that becomes a financial deterrent to going to school. Let me also add that there are very few dentists in this town that will accept Medicaid. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. In opposition and I have a few comments. With all due respect to the Chair of Health and to the previous speakers, the reason why I'm voting in opposition is because, I know firsthand where you have a family who has 8 children and let's say that the parents cannot afford the 8 children at one time to get their kids into school.

"I don't think we should penalize the kids. I do believe that we want to make dental examinations and dental care a priority. But, in the places such as where my district is, where on Molokai, Lanai or Hana, you sometimes don't have an option where the provider will provide free services or even take the child. Therefore it becomes an added cost because of transportation, because you have to go somewhere else. So, for those reasons."

Representative Fale rose to respond, stating:

"Mr. Speaker, in opposition. Just a couple of points. The dental work is not the same as getting immunizations against measles, mumps, rubella, tuberculosis, things like that, which are communicable and would actually pose a threat to other children in the school. So, it actually falls into a different category. The second issue, Mr. Speaker, is that I'm willing to go out and say that this would probably have the biggest impact, in a negative way, on poor and struggling working families. Because they are the ones who have the least amount of time and the least amount of resources to dedicate to this particular effort to get their children into school.

"So, once again, I believe that this will have a disproportionate impact on disadvantaged families with both working parents who are working three or four jobs, as well as those in the lowest income bracket, Mr. Speaker. And I believe if we were to follow up this bill with a study on its impact that those results would probably come out. For those reasons, again, Mr. Speaker, I'm opposed."

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

"Mr. Speaker, with reservations. Mr. Speaker, the data says that 57% of Hawaii's families can't send a kid to school with lunch money without a federal subsidy. They can't even buy lunch for their kids without a federal subsidy. 57%. So, imagine what this is going to do to these working families that the previous speaker and others have talked to. This is a serious issue.

"Let us not lose focus of the fact, it's about their brains, not their teeth. Where we have a bigger deficit, where we have a lot of cavities, is the educational component, the achievement component. The, if you will, having one of the best rather than the 43rd or 44th educational system in the United States. For those reasons, I have serious reservations. Thank you."

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

"Thank you very much, Mr. Speaker. In support. It's been interesting to me to hear the various comments from people who are not in support of this. I can fully understand the concern if you don't have the means to pay for a dental examination. But, I would ask those who are concerned about that, what would be the cost to that child who has no dental examination and their teeth literally are rotting in their mouth, and what would be the cost of that down the road?

"It would be much, much more, Mr. Speaker. And not to mention for that poor child, the inability for that child to concentrate in school, because this is what it's all about. Relating to the point about communicable diseases, of course it's important that you don't want your daughter sitting next to somebody with active tuberculosis and that's why we require children prior to entering school to be tested for these and be immunized and get chest x-rays and the whole bit.

"But, we also test for hearing and vision. If I can't hear well the guy next to me can hear just as well, that's not contagious. So, we require certain things of all our children because it is a benchmark, it is a gate keeper for not just the ability and willingness of children to learn, but also to assess the health of these children. I think as a state we owe no less to these children. Thank you."

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

"In support. I would just say that the problems that are brought up with this bill, about half of them would go away if the entire state fluoridated its water. The military bases already do and their rate of dental decay is approximately half of what it is everywhere else.

"As a chemistry minor in college I am aware of the nastiness of fluorine as an element, but if you look at the element directly below fluorine on the periodic table, it's chlorine. And chlorine is something that all four boards of water supply in the state already add in the water to keep us from getting other food borne illness. *Mahalo*."

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

"Thank you, Mr. Speaker. I rise with strong reservations. And I'd like to ask that the words from the Representative from Hana be inserted as if they were my own. Thank you very much, Mr. Speaker," and the Chair "so ordered." (By reference only.)

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1131, HD 2, entitled: "A BILL FOR AN ACT RELATING TO SCHOOL ENTRANCE," passed Third Reading by a vote of 41 ayes to 10 noes, with Representatives Cabanilla, Carroll, Coffman, Fale, Hanohano, Har, Hashem, Jordan, Oshiro and Say voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 810) recommending that H.B. No. 808, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 808,

HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," passed Third Reading by a vote of 50 ayes to 1 no, with Representative McDermott voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 811) recommending that H.B. No. 1374, HD 1 pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1374, HD 1 pass Third Reading, seconded by Representative Awana.

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

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

"Thank you, Mr. Speaker. I rise with reservations. I understand the intent of this bill is to improve our procurement procedures in allowing the state, when it's procuring services, to look at past performance of the people who submit bids for those contracts.

"I would just like to register my reservations because I have some concerns. First of all, the way that the bill is drafted, on page 2, lines 9 thru 10, it raises a questionable standard. It states that these criteria that will affect the bid price and be considered an evaluation for award shall be 'fair in the eyes of a reasonably objective taxpayer.' I think that language, hopefully as this bill moves to the Senate, will be tightened up. I think that is a difficult standard to articulate, a difficult standard to apply.

"I also note that in testimony in Finance, the Department of Education and DAGS did submit amendments and I hope as the bill moves forward those amendments do get considered, because I think it would serve the intent of the bill and would protect us in future procurement contracts.

"Finally, I'd also like to note that the Department of Transportation noted that the way that the bill is currently drafted could cause serious delays. We all know that DOT works on our harbors, our airports, our highway, our critical infrastructure. Causing delays in the improvement of these infrastructure projects is a serious concern. Thank you, Mr. Speaker."

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

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

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

"Mr. Speaker, I rise in opposition to this measure. For the very point that was raised by the Representative from Moanalua, the term 'fair in the eyes of a reasonably objective taxpayer,' I think that's quite broad. In fact, I think anyone would probably say it's somewhat subjective. If you consider the former Minority Leader and myself being both reasonable, rationale, fair-minded taxpayers, we probably have different interpretations of how this law might be applied. So, I'll be voting no, thank you."

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

"Thank you, Mr. Speaker. In support. I appreciate the comments made by all the previous speakers. With respect to their comments, I think many of their concerns are right and I would support further amendments to this bill. I think as we've often heard, this is one of the many bills that are a work in progress.

"The impetus for this bill is largely based on a phenomenon that occurs in many of our schools in the Department of Education. I'm sure in each of our districts each of us can probably find a capitol improvement project that has either incurred significant cost overruns or significant delays. Oftentimes it's by what most people can see is a bad actor, meaning a

contractor who deliberately bid-dives and regularly gets contracts from state work all over our schools, knowing full well that they are not submitting a bid in good faith, that is both on time and will be reasonable and actually the lowest price.

"So, while we award through the competitive sealed-bid process, particularly with respect to DOE projects, projects by lowest bidder. But what I would pause at is that I think in the end when you factor cost overruns, delays, in terms of both to the students and to the taxpayer as well as to the state, I don't know that the state is ultimately getting its best bang for the buck.

"The motivation behind this bill is to try to at least take a first stab at addressing what is a problem that is fairly pervasive, which the DOE notes and Pacific Resource Partnership also supports. Because we're trapped in this loop, Mr. Speaker, where all of us can acknowledge and many of our principals often say, I'm glad I got this capital improvement project, it's now been awarded and it's been awarded to a contractor that I know across the island didn't do the best quality job and I hope it all works out for me and I hope our results are different.

"Sometimes we're not getting different results. I think many of the points brought up today would definitely improve the bill and tighten it, and I would support those. But, I do think that, as an idea and as an amendment rather than focusing on the purity of the procurement code in isolation, we have to take a look at what's really going on in our schools and try to address that and try to achieve a results-based policy in terms of procurement that our students and the taxpayers really feel is best value. Thank you."

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

"Mr. Speaker, in support. Mr. Speaker, this bill is all about common sense. Who would hire somebody who did a junk job and you wouldn't take that into consideration. Case in point, 86% of us are University of Hawaii graduates. They put out a contract to build a baseball diamond. The contractor built the bleachers so you couldn't see home base. Equivalent to having this thing built in our gallery so you can't even see the Speaker for those up in the gallery.

"Would you do another contract with that person having that mistake or would you not at least take into consideration that kind of common sensical experience rating. Yeah, we can fine-tune it, we can polish it, but let's stick to the common sense. That's all this bill is about. Thank you."

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

"Thank you, Mr. Speaker. I rise in support of this measure. First, I'd like the words of the Representative from Foster Village, Moanalua and lower Aiea as if they were my own.

"I think this is a very important issue for all of us and as noted in previous discussions, the biggest issue occurs in our schools. I know of many different examples of projects not coming out the way they came out because of a particular contractor being hired and not being skilled and adequately versed with some of the things, and it's just coming out terrible.

"The aquarium a few years ago did a project and the contractor who did it, because he was the lowest bidder, we found out had failed on two occasions previously on state jobs. Yet, he was the lowest bidder and we had to hire him.

"I think the best analogy I would give to you and my colleagues is this. If I was to build a project at home and I had to do it through a bid process and I had to go out and get, let's say 3 bids. And the lowest bid, my friend right here from Mililani and Waikēle said 'oh, I had my house done by that guy and I wouldn't recommend him because he does poor work, in fact we had to redo everything.' Would I still pick him? Would I still pick that lowest bid? The answer is no. So why can't we, in state government, do what we would rationally do as homeowners, as business owners paying for a contractor doing like work.

"I think this bill is a reasonable approach and I hope that we can address some of the concerns in the future. Thank you."

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

Representative Har rose to respond, stating:

"Thank you, Mr. Speaker, just a brief rebuttal. Still with reservations. Again, I appreciate the comments that have been made from the previous speakers. But to be clear, my reservations, again, have nothing to do with the words of support that were offered. I think we're all in agreement that in fact we should be allowed to account for past performance for those bidding on contracts, particularly for state projects.

"The issue at hand deals with the current language in the bill. So, that being said, as this bill moves forward we hope that language can be tightened up and we're pleased to hear that the author of the measure is amenable to that, thank you."

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

Representative Takai rose to respond, stating:

"Mr. Speaker, thank you. Still in support, with additional written comments. Thank you."

Representative Takai's written remarks are as follows:

"Mr. Speaker, I rise in support of HB1374.

"This bill is designed to allow past performance to be factored into the competitive sealed bidding process for state procurement contracts. This bill just makes sense, in that it allows state policy to reflect the best practices we use in our everyday lives. If a contractor doesn't finish a project on time, there are costs associated with their delay, through change orders and increased labor costs. When the lowest initial price is coupled with poor results throughout the project, this does not constitute value for the taxpayer. The risk of these costs occurring should be a factor in determining whether or not a bid is acceptable.

"This bill does not force past performance on bids as a criterion, nor does it exclude new contractors from receiving state work. Rather, it allows state agencies to avoid having to choose bids from the same contractors who continue to submit low bids, but fail to deliver on what they have agreed to complete.

"We cannot afford to keep making the same costly mistakes and this measure offers a cost-efficient and way to tackle a serious problem.

"For these reasons, I support this measure and urge my colleagues to do the same. 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. 1374, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PROCUREMENT," passed Third Reading by a vote of 48 ayes to 3 noes, with Representatives Coffman, Oshiro and Say voting no.

At 2:11 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 899, HD 2
H.B. No. 1149, HD 3
H.B. No. 25, HD 2
H.B. No. 1440, HD 1
H.B. No. 1131, HD 2
H.B. No. 808, HD 1
H.B. No. 1374, HD 1

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 812) recommending that H.B. No. 96, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 96, HD 2 pass Third Reading, seconded by Representative Awana.

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

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

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

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

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 96, HD 2, entitled: "A BILL FOR AN ACT RELATING TO FARMS," passed Third Reading by a vote of 50 ayes to 1 no, with Representative Choy voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 813) recommending that H.B. No. 857, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 857, HD 2 pass Third Reading, seconded by Representative Awana.

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

Representative Woodson's written remarks are as follows:

"I strongly support House Bill 857 and believe this bill should be a top priority in the Legislature. The original intent of this tax measure was to help ensure a long-term and well-funded strategy to obtain sustainability. This specific bill reallocates the barrel tax to be used for its intended purpose of supporting clean energy, local agricultural production, and environmental response.

"In adopting this measure we will be able to start moving forward in making Hawaii self sufficient and less dependent on outside resources, especially on fossil fuels and food products.

"By using the tax for its original intent we will be able to start reducing the cost of living by generating more home grown products. This measure will also allow the ability to invest in a diverse amount of energy resources. All of these efforts will help us identify the best path to take in our journey to self sustainability, efficiency, and increased environmental responsibility."

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

Representative Johanson's written remarks are as follows:

"Mr. Speaker, I rise with reservations on HB 857, HD 2. This bill would seek to repeal the sunset date of the barrel tax and reallocate the income from the tax to a variety of good causes, such as energy and food security. However, what concerns me is that this would make the barrel tax permanent, which increases the burden already faced by Hawaii's families. Many of Hawaii's people are struggling to survive in these difficult economic times, and it would not be prudent to add to their burden by continuing to keep their cost of living high."

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

"I rise in strong support and I'd like to thank the committee for moving this bill forward. I'd like to thank my friend from Kailua for having faith in me over all these years, that one day we could return to the intent behind the barrel fee tax, especially when it was raised from 5 cents to \$1.05 and I told her that for a period of time we would be diverting some of the money to address the budget shortfall caused by the great recession.

"So, I think she and I are in accord with moving this bill forward and hopefully have it passed upon Sine Die. Thank you."

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

"Mr. Speaker, in opposition. This barrel tax, when it came into existence, hurt my community. Same thing, we have working families that are trying to get out of poverty, trying to support their families and this barrel tax was instituted once again with the promise that it would disappear after a little while. And that's something, I believe it's a simple thing, that if we're going to institute a sunset date to pass a measure, when that sunset date arrives we should keep our promises to the community that we made, that it would go away.

"This barrel tax hurt my family, my community then, it continues to do so now. With the description of the reason why we have that tax for sustainability purposes, we are not any more sustainable today than we were back then. So, I would say that we should have a certain standard to which we measure our efforts and if we are not achieving the goals that we said we were going to achieve, then we need to allow whatever efforts we put forward to sunset as we said they would and to reassess where we are and to make the necessary judgments to really pursue the courses of action that would allow us to achieve that.

"Once again, this measure hurts disproportionately the working class family and those who are underprivileged in the community. Once again that's my priority, to make sure that we raise these families out of poverty and put them in a situation where they can take care of their families and move towards a brighter future, Mr. Speaker."

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

"Thank you, Mr. Speaker. In strong support and I'd ask to insert written comments as well. I just note that this bill does return the amount of funding from the general fund to the purposes for which it was originally purposed out of the barrel tax, both for energy independence, renewable energy adoption and Ag sustainability.

"I will note that over the past six years we have nearly doubled the amount of megawatts of renewable energy on our grid. In addition, we are at a point where we are not just jumping, but leaping forward. Each year our renewable energy distributed generation has been doubling. It's an incredible rate unseen anywhere else in the nation.

"What we have here is a short window of time, probably 3 or 4 years before our entire energy potential is about to change one way or another. We have a short period of time before HECO has to meet all kinds of requirements from the EPA to change over the methods of generation as well as adopt new distributed generation strategies.

"One of the things we're trying to do here as a state is help our families, help our working class, help the economy. Because underlying all of this is the cost of energy which affects everybody. Whether you're a homeowner, whether you're running a business, whether you're anyone else. One of the things we can do right now is make sure our State Department of Business, Economic Development & Tourism in particular has the resources to be able to continue to push the state forward and adopt the energy plan that we need, to make sure that in the future we're going to continue this forward momentum and reduce costs for everyone. Thank you."

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

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 857, HD 2, entitled: "A BILL FOR AN ACT RELATING TO SUSTAINABILITY," passed Third Reading by a vote of 47 ayes to 4 noes, with Representatives Fale, Fukumoto, Hashem and McDermott voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 815) recommending that H.B. No. 334, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 334, HD 1 pass Third Reading, seconded by Representative Awana.

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

"Thank you, Mr. Speaker. Ruling on a potential conflict. At my law firm I represent condo and community associations. Thank you," and the Chair ruled, "no conflict."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 334, HD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 817) recommending that H.B. No. 1177, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 1177, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 819) recommending that H.B. No. 799, HD 2, as amended in HD 3, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 799, HD 3 pass Third Reading, seconded by Representative Awana.

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

"In opposition, Mr. Speaker. This is one of those tax credits again that take away money that's supposed to go to the state coffers. Although it's well intended, Mr. Speaker, I think that with the current recession that we are having we should be hanging on to every tax dollar that we can get.

"Furthermore, this 50% wage reimbursement for 6 months that the bill is asking for, this could be high paying jobs, Mr. Speaker. We don't know what they are. So, we don't know the implication of this bill. Because of this current situation and our state budget, I'm voting no on this measure. Thank you."

Representative Fale 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. 799, HD 3, entitled: "A BILL FOR AN ACT RELATING TO CREATIVE MEDIA DEVELOPMENT," passed Third Reading by a vote of 49 ayes to 2 noes, with Representatives Cabanilla and Oshiro voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 821) recommending that H.B. No. 484, HD 1 pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 484, HD 1 pass Third Reading, seconded by Representative Awana.

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

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

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

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

Representative Fale's written remarks are as follows:

"Mr. Speaker, I rise in opposition of House Bill 484, HD 1. This bill will designate that, 'existing taro-growing systems, ancient wetland taro lands, and taro-growing structures as special agricultural lands to be protected from development.'

"Mr. Speaker, my concern is that this bill is overly broad and that it will produce unintended circumstances.

"The Department of Land and Natural Resources submitted the following testimony concerning the bill, 'The bill prohibits the Board of Land and Natural Resources from acquiring for development projects, lands used or to be used for taro growing that possess: 1) Existing taro growing systems, 2) Ancient taro lands, or 3) Structural elements of ancient taro growing systems. As written, the bill's prohibitions are overly broad, especially with regard to ancient taro lands and growing structures. The bill does not provide for any determination as to whether the lands may be feasible for present or future taro cultivation. In addition, the bill does not take into account whether there is any demand to engage in taro cultivation on a property. The broad application of bill's language may result in preventing noteworthy public works projects without any taro cultivation being conducted. Furthermore, the bill appears to create a conflict with other language in the statutory provision, which allows for the acquisition of agricultural lands for development under certain limited circumstances.'

"Mr. Speaker, for these reasons, I rise in opposition of House Bill 484, HD 1."

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

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 484, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PROTECTION OF TARO," passed Third Reading by a vote of 47 ayes to 4 noes, with Representatives Choy, Fale, Har and Say voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 822) recommending that H.B. No. 106, HD 2 pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 106, HD 2, entitled: "A BILL FOR AN ACT RELATING TO GEOTHERMAL RESOURCES," passed Third Reading by a vote of 50 ayes to 1 no, with Representative McDermott voting no.

At 2:21 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 96, HD 2
H.B. No. 857, HD 2

H.B. No. 334, HD 1
 H.B. No. 1177, HD 1
 H.B. No. 799, HD 3
 H.B. No. 484, HD 1
 H.B. No. 106, HD 2

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 823) recommending that H.B. No. 144, HD 2 pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 144, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PROFESSIONAL EMPLOYER ORGANIZATIONS," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 824) recommending that H.B. No. 1227, HD 1 pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 1227, HD 1, entitled: "A BILL FOR AN ACT RELATING TO IOLANI PALACE," passed Third Reading by a vote of 50 ayes to 1 no, with Representative McDermott voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 826) recommending that H.B. No. 838, HD 1 pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 838, HD 1 pass Third Reading, seconded by Representative Awana.

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

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

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

Representative Fale's written remarks are as follows:

"Mr. Speaker, I rise in opposition of House Bill 838, HD 1. My concern, Mr. Speaker, is that this measure will result in an increase in fees. I am also concerned about the lack of transparency that is in the language of the bill regarding how these fees will be used.

"Jodie V. Tanga, President of the Hawaii Association of Mortgage Brokers testified that, 'HAMB remains concerned with this request to increase fees without greater transparency with respect to the use of those fees. We believe that with the implementation of the NMLS system, there should be cost-savings, not increases.'

"At the end of the day, Mr. Speaker, any additional fees that are charged to mortgage brokers will be ultimately passed on to consumers. This fact could negatively impact home ownership in our State.

"Mr. Speaker for these reasons, I rise in opposition of House Bill 838, HD 1."

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

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

Representative Johanson's written remarks are as follows:

"Mr. Speaker, I rise with reservations on HB 838, HD 1. This bill would change registration and fees for mortgage loan originators, and could do so in quite a drastic way. The Hawaii Association of Mortgage Brokers identified a concern in that this represents an increase in fees without greater transparency as to the use of the fees. I am concerned about the impact the fees may have on the mortgage loan industry, and will be rising with reservations on this issue."

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

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 838, HD 1, entitled: "A BILL FOR AN ACT RELATING TO MORTGAGE LOAN ORIGINATION," passed Third Reading by a vote of 49 ayes to 2 noes, with Representatives Fale and McDermott voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 827) recommending that H.B. No. 839, HD 1 pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 839, HD 1 pass Third Reading, seconded by Representative Awana.

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

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

Representative Fale's written remarks are as follows:

"Mr. Speaker, I rise in opposition of House Bill 839, HD 1. This measure 'Authorizes the Commissioner of Financial Institutions to conduct examinations and investigations and adjust the fees for mortgage servicer licensees to use NMLS.' My concern, Mr. Speaker is that this measure will result in an increase in fees to mortgage servicer licensees and that these fees will be ultimately passed on to the consumer. This could negatively impact home ownership in our State.

"Mr. Speaker, for these reasons I rise in opposition of House Bill 839, HD 1."

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

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

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

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 839, HD 1, entitled: "A BILL FOR AN ACT RELATING TO MORTGAGE SERVICERS," passed Third Reading by a vote of 49 ayes to 2 noes, with Representatives Fale and McDermott voting no.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 828) recommending that H.B. No. 713, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 713, HD 2 pass Third Reading, seconded by Representative Awana.

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

Representative Har's written remarks are as follows:

"Mr. Speaker, I rise in opposition to Standing Committee Report 828, House Bill 713, House Draft 2 which would prohibit employers from requiring employees to give their personal account usernames or passwords for a social networking website.

"I oppose this bill because I firmly believe that law enforcement should be exempt from this bill. In the Standing Committee Report from Judiciary, this section of the bill was removed from House Draft 1. In the first draft, this bill would have allowed law enforcement to require potential employees to access a personal account in the presence of the law enforcement agency. Potential candidates for law enforcement should be held to a higher level of scrutiny given the importance of the position.

"For this reason, I oppose Standing Committee Report 828, House Bill 713, House Draft 2. Thank you, Mr. Speaker."

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

"In strong support. I just wanted to note what the bill does and what the bill doesn't do. This bill will prohibit employers from demanding access to employees or potential employee's social networking or any personal internet account. It will not affect their ability to search what the employee decides to set as public on *Facebook* or *Twitter* or anything else. It will not ban their right to be able to request their employee to be a friend or a follower on any of these sites.

"It will not disallow them from requesting their email address, as that could be a username for a social networking site, you still can. But the purpose of the bill is, it's 2013 and it's very common practice for an employer to look through their employees or potential employees *Facebook* accounts. Actually, 75% of employers now require this practice while over 90% regularly do the practice without requiring it when hiring somebody.

"But the problem exists when it goes beyond that and they're demanding access to the password information and they're, again as I said in Second Reading, they're not entitled to that information at all. Only the person whose account it is, is entitled to that information, period. It's akin to the practice of perusing through someone's mail or an employer demanding that their employee hand over their keys to their house and rummaging through their belongings. Now, those two practices are clearly, unequivocally illegal. All this law does is to bring those existing, written in law, protections of employees to the 21st century and to 2013."

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

"With reservations. My number one concern with this bill is that I believe there could be a technical flaw. I think the bill is overly broad given that the title is only 'Relating to Social Media,' so I hope moving forward we can address that. Thank you."

Representative Luke rose in support of the measure and asked that the remarks of Representative Ing be entered into the Journal as her own, and that her written remarks be inserted in the Journal, and the Chair "so ordered." (By reference only.)

Representative Luke's written remarks are as follows:

"Mr. Speaker, I rise in support of HB 713 House Draft 2 Relating to Social Media.

"This measure attempts to update the current discriminatory practices section of the State's employment law in order to keep pace with technology while providing safeguards for both the potential employee and employer.

"I would like to thank the Representative from Kihei for introducing this measure and for all the hard work that he has put in to this bill as it moved through the House."

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

"Thank you, Mr. Speaker. I'm rising in support with reservations. A couple of points. My first one is that I think if this bill became law it will prevent an employer from asking a prospective employee for their username or even if they have a *Facebook* or social media account. I think that's problematic.

"I'm going to give you a real life example. When I was in charge of the Finance Committee, I would interview scores of young budget analysts or bill analysts and I would tell them that confidentiality is a prerequisite and an ongoing requirement of employment at the State Legislature in the House Finance Committee. And I specifically forbade them from posting any of the work materials, observations, intentions that they gleaned in their work as budget or bill analysts in their social media activities outside of work.

"I did that to prevent any unwarranted, inappropriate or unintended disclosure of the legislative work product that was controlled and truly a work product of the committee and the process. All of them would agree to that. Those who could not agree to that would not get employment.

"I'm just concerned that the current draft might have some inadvertent consequences, especially in those areas where security of material is essential to the work at hand by the employer. Given today the concerns that we have over personal security of our personal records, papers, memoirs, bank accounts, investments, etc., I think many of us and our constituents are very concerned about access and distribution of what's personal to us. So I just raise that as a concern as this bill moves through the process. Thank you."

Representative Har rose to respond, stating:

"Thank you, Mr. Speaker. Still in opposition. Mr. Speaker, just a brief rebuttal to the author of this bill. I understand that it's year 2013, but when you make the comparison that the information being requested in this bill is akin to taking the keys and going through your personal belongings in your home, I think that's rather disingenuous and inapposite here.

"The fact of the matter is this, and I'll say this and I said it in the Judiciary Committee. Social networking and privacy are oxymoronic. When you have a social networking website, you want the public to know everything about you, you're spilling all your personal business on there. And that's great. But my concern arises from the fact that language was removed from this bill that would have allowed law enforcement to request or require any employee or potential employee to access a personal account in the presence of a law enforcement agency, the employer, or to divulge any personal account. That's what my concern is.

"So in the event you have someone who could potentially, there are allegations this person is a molester or child molester or what not. I think law enforcement should still have that ability and that was what was removed from this bill and that's what my concerns raise from. Therefore I still stand in opposition. Thank you, Mr. Speaker."

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

Representative Ing rose to respond, stating:

"Still in support, Mr. Speaker. To speak to two points that were raised. To address again in the language, you can still ask for an email account, you can still friend employees on *Facebook* as an employer. How I originally drafted the language, there were provisions that if there's anything that warrants search or that could potentially hurt you as an employer, you can ask for access and there was some language included in there. I'm not sure what amendments exactly have been made since, I would have to double check, but that's something that should probably be

ironed out. Especially and obviously if you have a subpoena or a reason to get in their account as you would to get a key to a house, that can still be done through the legal process.

"But in terms of social media and privacy being oxymoronic, I'm going to stand in complete opposition to that statement. It's easy for people who aren't regular users of social media to make those kinds of broad statements, that kids that use these websites are these narcissistic egomaniacs that just want to get out there and be exhibitionists. But really, these are valid tools of communication. And you're selective of what you put on and what you don't.

"We can liken this to the white pages. Yes, you put your phone number on there so it can be public. You choose to put your phone number there so it's public, but you're not allowing the white pages or your boss to check your voicemail by opting into that service.

"So just like *Facebook*, it's completely selective of what you put on. Of course you need to be very careful. You choose what you put on there. I know people that do not even use the public features of the social media accounts like *Facebook* but rather don't put any pictures of themselves but use it as an easy way to connect to numerous friends back from high school or whatever very efficiently. So I find it very misleading to pigeonhole the whole idea of social media and privacy as being oxymoronic."

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

"Mr. Speaker, in support. It's true in the Judiciary Committee we did remove a section having to do with law enforcement investigations with regards to social media. However, law enforcement will still be able to do the same investigations they've always done which are very intrusive. From my understanding it includes lie detector tests and extensive background checks. They just won't be able to ask for a person's username or password, just as they won't be able to go through snail mail or ask for a search warrant of the potential applicant's apartment. *Mahalo*."

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

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

"Thank you, I rise in support of this measure. I would like the words of the Representative from Kihei entered into the Journal as if they were my own, his first speech. Thank you.

"I think this is an important bill. In fact, if you take a look at what the military is doing right now, they're all shifting towards social media and to email. And I can tell you that even in the warzone the military is encouraging soldiers and service members to utilize social media, whether it be *Facebook* or *Twitter* or what not. And they're encouraging that because they understand the necessity of keeping in contact with family and friends and how powerful these social media tools are. I think that's what we should be encouraging as well whether we're employers here or whether we're employers elsewhere.

"The fact is, the military, being that they're so conscious of cyber crimes or release of very, very personal or confidential information, has not restricted the use of social media, has not made it mandatory for me or other people in the military to provide our passwords and our usernames to them. I think that we should gauge what we do here on that. If the military's not doing it why would we have to do it? Thank you, Mr. Speaker."

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

"Mr. Speaker, I'd like to ask for a ruling on a potential conflict. I have a *Facebook* page. Thank you," and the Chair ruled, "no conflict."

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

"Same request," and the Chair ruled, "no conflict."

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

"Same request," and the Chair ruled, "no conflict."

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

"Same request," and the Chair ruled, "no conflict."

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

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

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

"Mr. Speaker, with reservations and I just want to make a quick rebuttal. The military that I know does not allow you to use *Facebook*. You are not allowed during working hours on government computers to use *Facebook*. And furthermore, in the warzone, you're not supposed to because you might disclose where you're at. So I don't know what military branch says that it's encouraged. It's definitely discouraged and you're not supposed to use military equipment for your *Facebook* account. Thank you, Mr. Speaker."

Representative Takai rose to respond, stating:

"Mr. Speaker. Thank you, second time in support. I think the previous speaker should just take a look at the army regulations, especially as it pertains to deployed service members. If you take a look at what the military is doing right now, they are encouraging service members to keep in contact with their family and friends through social media. I believe the Representative from Laie can vouch for this as well.

"The only thing that they restrict is the dissemination of sensitive information and in the times of a KIA or something similar, that they put a gag order on us and we're not allowed to communicate for let's say 48 hours.

"But I can tell you, without a doubt, that the military currently is encouraging service members to keep in communication with their families and friends through social media and they do not require the providing of their username or a password to the military. Thank you, Mr. Speaker."

Representative Fale rose to respond, stating:

"Second time, Mr. Speaker, and I would like to say that two of the previous speakers were both correct depending on what your job is. As a member of the JAG Corps in the United States Army there are situations and certain jobs that allow you to use social media and there are other occupations within the military that do not permit you to use social media. So I've got to say that they're both correct, 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. 713, HD 2, entitled: "A BILL FOR AN ACT RELATING TO SOCIAL MEDIA," passed Third Reading by a vote of 48 ayes to 3 noes, with Representatives Fale, Hanohano and Har voting no.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 830) recommending that H.B. No. 907, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 907, HD 1 pass Third Reading, seconded by Representative Awana.

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

"With reservations and just noting that a member of the community that I really respect is very concerned about this bill because of the vaccinations and lack of patient autonomy. Having not been able to do a lot of research yet that she's given me, I'm just going to be voting with reservations for now. Thank you."

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

"Mr. Speaker, with reservations. I also have concerns about the measure. I've been around long enough to see that what is said is absolute in the health field later can change, and that no longer is the standard as things move forward. So the thing I'm concerned about is it's a very scary thing for new parents to end up having shots given to their little babies and some of the babies have quite a violent reaction to that.

"I would hope that everything is being done with the best medical science that's available, but that best medical science as of 30 years ago, 40 years ago, 50 years ago, no longer is the same as today. And is today's safe enough for what may be the standard in another 20 or 30 or 40 years.

"I'm just concerned about that whole area and so I'm not voting against it because I don't want the bubonic plague to come back. We've almost eradicated polio, so yes, vaccinations are necessary, but there's also a word of caution to go with them. Thank you."

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

"Mr. Speaker, I rise with reservations. Mr. Speaker, my reservations are, I guess I should inoculate myself and not sound like it's anti-health, but what we have is a growing steep climb in autism. We have military veterans coming back. And I was speaking to a researcher from mainland China recently and they said each time you get an immunization, you're getting a dose of toxicity. But if you're a baby and you get 5, 10, 15 of these per day, you're mixing different toxins together. And if you're in the military, as one of my colleagues said, when you're being stationed you walk down a line and you get shot in the arm continually.

"My point is, if this bill is going to set guidelines, let's let the volume in one day or the volume in one period of time be established because I think what China or this particular individual is mentioning is of serious concern. We cannot explain autism. Even though there are some explanations theoretically, we don't have the data. But it's very common sensical to have too many toxins in too much of a system to override the immune system and then you come up with all kinds of different things.

"So, Mr. Speaker, I think this needs further discussion, it's a very serious issue and I'm hoping that we will proceed prudently. 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. 907, HD 1, entitled: "A BILL FOR AN ACT RELATING TO VACCINATION GUIDELINES," passed Third Reading by a vote of 51 ayes.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 831) recommending that H.B. No. 842, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 842, HD 2 pass Third Reading, seconded by Representative Awana.

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

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

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 842, HD 2, entitled: "A BILL FOR AN ACT RELATING TO DENTAL SERVICE CORPORATIONS," passed Third Reading by a vote of 51 ayes.

At 2:45 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 144, HD 2
H.B. No. 1227, HD 1
H.B. No. 838, HD 1
H.B. No. 839, HD 1
H.B. No. 713, HD 2
H.B. No. 907, HD 1
H.B. No. 842, HD 2

At 2:45 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 2:55 o'clock p.m.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 832) recommending that H.B. No. 602, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 602, HD 2 pass Third Reading, seconded by Representative Awana.

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

"Mr. Speaker, in strong support with written comments inserted into the Journal. Thank you very much."

Representative Say's written remarks are as follows:

"Mr. Speaker, I rise in strong support to HB 602, HD 2, 'Relating to Motor Vehicles.'

"The purpose of the legislation was to allow the tow truck industry to support and enforce laws that are currently on the books. It was an initiative discussed with tow truck operators to see if automobiles, trucks, SUV's, etc, could support the state and county enforcement agencies.

"These agencies consist of the counties' Police Departments, Motor Vehicle Divisions, and the State Insurance Divisions, where they deal with motor vehicle issues such as 1) Registration; 2) Vehicle Weight Tax; 3) Criminal & Civil Laws that are enforced by county police; and 4) No-Fault Insurance Licensing.

"Currently, any motor vehicle that is towed to a storage tow yard must have a present up to date registration card that states the owner has paid the vehicle weight tax, registration fee, ownership papers, and posses an up to date license and No-Fault insurance card.

"The objective was to authorize the towing company's storage facility to request all of the above documentation. This would require the motor vehicle owner's compliance with our present laws on the books.

"Most tow operators believe that one third of all vehicles do not comply with our present laws and ordinances, whereby the vehicle owners are in breach of the law. Vehicles not in compliance with the current laws and ordinances must be brought up to date before they may be released from the storage facility.

"Most towing facility operators did not want the added responsibilities so that is why they amended the measure dealing with liability of the facility operators. I am happy that the Consumer Protection and Commerce

Committee sent it out with amendments to further the discussion. I want to thank the Committee Chair and Vice Chair along with the members.

"A VOICE OF REASON."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 602, HD 2, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLES," passed Third Reading by a vote of 51 ayes.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 834) recommending that H.B. No. 848, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 848, HD 2, entitled: "A BILL FOR AN ACT RELATING TO HEALTH INSURANCE," passed Third Reading by a vote of 51 ayes.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 835) recommending that H.B. No. 79, HD 1 pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 79, HD 1 pass Third Reading, seconded by Representative Awana.

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

"Mr. Speaker, may I have a ruling on a potential conflict. My wife is a consultant with Hawaii Pacific Health," and the Chair ruled, "no conflict."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 79, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ADVANCED PRACTICE REGISTERED NURSES," passed Third Reading by a vote of 51 ayes.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 836) recommending that H.B. No. 398, HD 1 pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 398, HD 1, entitled: "A BILL FOR AN ACT RELATING TO HUMAN SERVICES," passed Third Reading by a vote of 51 ayes.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 837) recommending that H.B. No. 810, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 810, HD 2 pass Third Reading, seconded by Representative Awana.

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

Representative Fale 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. 810, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ELECTRIC SYSTEMS," passed Third Reading by a vote of 51 ayes.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 838) recommending that H.B. No. 1103, HD 1 pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 1103, HD 1, entitled: "A BILL FOR AN ACT RELATING TO IMPACT FEES,"

passed Third Reading by a vote of 48 ayes to 3 noes, with Representatives Fale, Har and McDermott voting no.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 839) recommending that H.B. No. 370 pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 370, entitled: "A BILL FOR AN ACT RELATING TO MIXED MARTIAL ARTS," passed Third Reading by a vote of 51 ayes.

At 2:58 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 602, HD 2
H.B. No. 848, HD 2
H.B. No. 79, HD 1
H.B. No. 398, HD 1
H.B. No. 810, HD 2
H.B. No. 1103, HD 1
H.B. No. 370

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 840) recommending that H.B. No. 529, HD 1 pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 529, HD 1 pass Third Reading, seconded by Representative Awana.

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 529, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CARE HOMES," passed Third Reading by a vote of 51 ayes.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 841) recommending that H.B. No. 65, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 65, HD 2 pass Third Reading, seconded by Representative Awana.

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

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

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

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

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

Representative Johanson's written remarks are as follows:

"Mr. Speaker, I rise with reservations on HB 65, HD 2. This bill would allow beneficiaries of prescription drug benefits providers to opt out of the requirement to purchase prescription drugs from a mail-order pharmacy. While this bill seeks to increase the flexibility of receiving drug benefits, it may have the unintended consequence of increasing the costs of prescription drugs to all by diminishing the purchasing power of the state

plan by allowing beneficiaries to opt out. Because an increase in the cost of drugs could adversely impact benefits, I rise with reservations."

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

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

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 65, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PRESCRIPTION DRUGS," passed Third Reading by a vote of 50 ayes to 1 no, with Representative Har voting no.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 843) recommending that H.B. No. 656, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 656, HD 2, entitled: "A BILL FOR AN ACT RELATING TO HEALTH CARE ADMINISTRATIVE UNIFORMITY," passed Third Reading by a vote of 51 ayes.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 844) recommending that H.B. No. 62, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 62, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PHARMACY BENEFITS MANAGERS," passed Third Reading by a vote of 50 ayes to 1 no, with Representative Kobayashi voting no.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 846) recommending that H.B. No. 654, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 654, HD 2 pass Third Reading, seconded by Representative Awana.

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

"Mr. Speaker, ruling on a potential conflict. My spouse represents Hawaii Pacific Health. Thank you," and the Chair ruled, "no conflict."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 654, HD 2, entitled: "A BILL FOR AN ACT RELATING TO NURSING," passed Third Reading by a vote of 51 ayes.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 848) recommending that H.B. No. 1189, HD 1 pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 1189, HD 1, entitled: "A BILL FOR AN ACT RELATING TO TRANSPORTATION," passed Third Reading by a vote of 51 ayes.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 849) recommending that H.B. No. 846, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 846, HD 2 pass Third Reading, seconded by Representative Awana.

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

"Ruling on a potential conflict. My family's farm might be affected by this. Thanks," and the Chair ruled, "no conflict."

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

"Mr. Speaker, ruling on a potential conflict. I am a owner-builder," and the Chair ruled, "no conflict."

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

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

"Same conflict, Mr. Speaker," and the Chair ruled, "no conflict."

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

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

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

"Thank you, Mr. Speaker. In support. Just for the edification of the Members, although the word 'fees' appears in the bill description, we removed the fee language out of the measure in CPC. 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. 846, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE OWNER-BUILDER EXEMPTION," passed Third Reading by a vote of 51 ayes.

At 3:01 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 529, HD 1
H.B. No. 65, HD 2
H.B. No. 656, HD 2
H.B. No. 62, HD 2
H.B. No. 654, HD 2
H.B. No. 1189, HD 1
H.B. No. 846, HD 2

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 851) recommending that H.B. No. 635, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 635, HD 2 pass Third Reading, seconded by Representative Awana.

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

"Thank you, Mr. Speaker. I'm voting no on this measure and I just wanted to explain why. Because of the automatic approval provision. Thank you."

Representative Fukumoto 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 Fukumoto's written remarks are as follows:

"Mr. Speaker, I am voting with reservations on HB 635, HD.2. The measure requires the state and counties to take action within 60 business days for non-conservation district use applications and within 120 or 180 business days for conservation district use applications for broadband facilities or the application will be deemed approved. This bill also sets limitations on weight load for utility poles.

"While I appreciate the intent, I have concerns after reading through the testimonies on this bill. For instance, the Department of Commerce and Consumer Affairs cited the Public Utilities Commission's concerns regarding language that exempts the state, counties, and public utilities from prosecution related to permitting actions that may be overly broad. They suggest that this should be clarified by noting the entities being exempted from prosecution. The Department of Land and Natural Resources noted that under a typical scenario of putting this bill into practice that public hearings would have to take place by their Department, and there is no mention of public hearings in this bill.

"As mentioned, I appreciate the intent and applaud the effort of expanding this needed service, but I am concerned that it will reduce public input. Thank you, Mr. Speaker."

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

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 635, HD 2, entitled: "A BILL FOR AN ACT RELATING TO BROADBAND," passed Third Reading by a vote of 50 ayes to 1 no, with Representative Thielen voting no.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 852) recommending that H.B. No. 1314, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1314, HD 1 pass Third Reading, seconded by Representative Awana.

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

"Mr. Speaker, I rise in opposition to this measure. Mr. Speaker, the bill said it's about liquor, but I'm going to talk about beer, which is the first problem. There's a constitutional problem. The constitution in Article III, Section 14, says each bill shall have one subject. This bill actually is a euphemized 'gut in place.'

"Mr. Speaker, HB 1126 is what the beer labeling was all about, but CPC on the 27th of February actually deferred the bill. But then they stuffed it into this one, under the title of liquor. Liquor is not beer, beer is not liquor.

"Second issue is, the unfortunate thing is this is regarding a nascent industry, a beer industry. Something that, if I may, can demonstrate it's about labeling the Kona Brewing Company's beer versus what otherwise is, for my good colleague and friend from Maui, the Maui Brewing Company. There seems to be a bit of a turf war going on.

"But, as I said, it's a nascent industry and they're both small but big enough to want to get at each other's throat. The issue is, this has been accused of, this is the long board ale of which I may disclose, if I do drink beer, I drink this one. Any conflict?" and the Chair ruled, "no conflict."

Representative Ward continued, stating:

"But, it's accused of having a label that is non-compliant with what otherwise has been the parallel of Kona coffee which, Mr. Speaker, we had almost a dozen enterprises in that before we even started regulating them.

"Here there's two guys fighting it out with each other and we're starting to clamp down already on regulations. Basically what this label says is, Kona Brewing Co. Kona, HI; Portland, OR; Woodinville, WA;

Portsmouth, NH.' Underneath the label then it says: 'fresh, responsible, always aloha.' Does that tell you that this is all brewed in Kona, or in those four different locations?

"The problem and the bottom line, Mr. Speaker, is we've got an industry that's fighting. We are choosing sides on something that I think is dangerous. Let the turf wars, let the market decide, let us not intervene in this. Plus, it's not just my point of saying that there's a constitutional issue, this is the Attorney General who said, you guys are breaking the way that bills should be written and they should not have two subjects on the same line.

"For those reasons, Mr. Speaker, I think we need to seriously look at ourselves. And I would have anyone have a look at this label as long as they don't open it and drink it. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. In support. First of all, the bill that the previous speaker was referring to was the one with the title problem with the use of the word 'and.' The second thing and most importantly, really let's cut to the chase, it's not about the size of the class or the industry, it's about a consumer's right to know, Mr. Speaker.

"What the bottle says is, that yes you have those locations indicated, but it doesn't say where they're brewed. In fact, by including a location in Hawaii, one is left to assume, and rightfully so, that it's brewed in Hawaii or that they merely have locations in these other places. The Texas labeling law basically requires you to put where it is brewed. That's simply it. That's what it really boils down to.

"It's not the size of the class. It is the consumer's right to know and is an impression being made on the consumer that this is a Hawaii product. That's why the Kona Coffee labeling and the koa product labeling and the honey bee labeling, all of which the previous speaker supported, that's why those bills were moved forward, Mr. Speaker.

"It wasn't about the size of the industry, it was about simply, when a consumer picks it up, do they know, hey, this is where it's brewed. If it isn't brewed here, where is it brewed? And the bottom line is it's not going to hurt their market sales for people to know this. Because taste is king, Mr. Speaker. Whether it be beer, honey, macadamia nuts, well except koa, that's the only thing taste does not rule. But that's what this bill is. It says if you're brewing your beer in other locations, just let the consumer know.

"Now I do know they do some brewing within the State of Hawaii. My next question was, I still have to follow up on this, of all of the beer that is produced, how much is actually produced at this facility? We don't know, Mr. Speaker. And there's an economic impact, Mr. Speaker. Because as the Maui guy said, hey, I could close everything tomorrow, fire all 500 of my employees and simply go to Portland and Maine and brew there, bring it back with a nice Hawaii label and people will continue to think that it's made here.

"So, there is an economic impact, Mr. Speaker. That is why the genesis and nexus of all of these bills revolve around those two issues. The consumer's right to know, and yes, there is an economic impact. We want people to know that if they are buying a beer that they think is brewed in Hawaii, then they should know it is brewed in Hawaii. If it is brewed elsewhere then they should know that, too. That's all it really is, Mr. Speaker. Thank you."

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

"I rise in support and request to insert the words of the previous speaker into the House Journal as if they were my own. But, I also agree with our Representative from Hawaii Kai in that we should let the free market decide and the market in this case is Hawaii products, Hawaii beer. And it's important that all players in that market are really from Hawaii."

Representative Ward rose to respond, stating:

"Mr. Speaker, if I may add one very substantial footnote. What is beer made out of? Hops, malt, barley, yeast. Where do we produce those? Where in Hawaii? Which island grows those? None. Should we say 'beer assembled in Hawaii'? Because that's what it is. Whether it's Maui, whether it's Kona, whether it's whoever, we don't have, like Kona Coffee, grown in Kona, and it says if it's 10% and above or 10%-90% other coffees, you know that at least 10% was grown in Hawaii, in Hawaii soil.

"So, is this about Hawaiian water? And then we can go on and on to the point where it becomes absurd. What we're talking about are two companies, one on the Big Island and one on Maui, who just haven't seen eye-to-eye. I was just given a release that said that, Kona Brewing Company continues double digit growth that can provoke others to jealousy. And unfortunately, some of the standards of the private sector is once you become a monopoly you've succeeded. Well, I think competition is good, but this, in terms of squelching competition this early at the infant stage of both of these companies, is not good policy and we should just do a hands-off. Thank you, Mr. Speaker."

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1314, HD 1, entitled: "A BILL FOR AN ACT RELATING TO LIQUOR," passed Third Reading by a vote of 49 ayes to 2 noes, with Representatives Fale and Ward voting no.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 853) recommending that H.B. No. 672, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 672, HD 2, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," passed Third Reading by a vote of 51 ayes.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 854) recommending that H.B. No. 1381, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1381, HD 2 pass Third Reading, seconded by Representative Awana.

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

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

"Mr. Speaker, ruling on a possible conflict. My wife used to be the Chairperson for the Board of Medical Examiners, and at the same time both her and my daughters are practicing physicians," and the Chair ruled, "no conflict."

Representative Cachola then 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. 1381, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PROFESSIONAL AND VOCATIONAL LICENSING," passed Third Reading by a vote of 50 ayes to 1 no, with Representative Ohno voting no.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 855) recommending that H.B. No. 847, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 847, HD 2, entitled: "A BILL FOR AN ACT RELATING TO

ENFORCEMENT TOOLS TO IMPROVE PATIENT SAFETY," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 856) recommending that H.B. No. 1028, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1028, HD 2 pass Third Reading, seconded by Representative Awana.

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

"Mr. Speaker, with reservations. I do support the minimum wage increase which I think is long overdue because of the effects of inflation. With regard to the unemployment insurance aspect of it, the history is that we've passed three major bills since 2007 having to do with unemployment insurance, all of which were intended to help the business community. And I was more than happy to help in that effort to the bills in 2010 and last year where ones where I was the lead sponsor.

"But, at some point we did, I think we were successful in ameliorating the sharp rise in unemployment insurance rates that would have happened if we had not acted. But, at this point the economy is growing, the unemployment rate in Hawaii is 5.1% which is the seventh best in the United States. We need to start preparing for the inevitable next downturn and to do that we have to allow the unemployment trust fund to build up the adequate reserve level that's required by federal law.

"Otherwise we're going to be doing this same bill over and over again sort of indefinitely. Because during the next recession we'll have to borrow money like we did during the last recession and it's just a road that I don't think is prudent to go down. So, with reservations. *Mahalo.*"

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

"Thank you, Mr. Speaker. With slight reservations. I know this bill still has a long way to go, but just because of the part that the tip credit does not move in the same calculated increases as the rest of the increases do. Thank you, Mr. Speaker."

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

Representative Johanson's written remarks are as follows:

"Mr. Speaker, I rise with reservations on HB 1028, HD 2. This bill would increase the minimum wage from \$7.25 to \$9.00 by January of 2017. All workers should have access to a quality standard of living. However, I worry about the impact of such a change on businesses. We must not only evaluate the increase in the raw wages for workers affected, but also the corresponding benefit increase that may be tied to the wage increase.

"The potential increase in benefits is an issue for a majority of businesses, as they may have to cut costs dramatically in order to compensate for these increased costs, which could lead to them cutting the hours of employees or employing fewer people. This effect is especially pronounced when the business in question is a small business. As small businesses operate closer to the margins, increased benefits and wages have an exacerbated effect on their ability to retain workers. As the majority of Hawaii's businesses are small businesses, this bill could have very wide-reaching effects.

"While I am very concerned about the plight of the workers who earn the minimum wage, I worry about the unintended consequences of this bill, and thus, I rise with reservations."

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

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

Representative Fukumoto 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 support of the measure with reservations, stating:

"Reservations please. Quite opposite from the Judiciary Chair's. Just the flip. Thank you."

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

"Mr. Speaker, in opposition. I've been looking at this issue for a while now and I had come to the conclusion, Germany which is the economic power house of Europe, does not have a statutory minimum wage. My concerns about this bill are that we are putting a band-aid over the underlying issues that are making our economy sick. That are holding down a number of our working family members within our community. We are not addressing the educational issues that we have within our community. We are not addressing the economic opportunities that exist within our community. That raising the minimum wage is simply an acknowledgement that we are not fostering an economic situation that allows our community to rise out of the depths of poverty and the situations regarding livable wages, because of the situation that we find ourselves in, in regards to education and the economy.

"It is my hope that instead of putting this band-aid over the issue, that we would move ourselves in such a way that would address the real issues and the real ailments that we face in this State. Is that we have a struggling education system and youth. Our number one export from the State of Hawaii, are our young people. That's a huge problem. And we are not addressing the reasons why they are moving away, why we are not keeping all of our best and brightest here within the state and providing them with the economic opportunity to raise their families in the places where they were born and raised and where the bones of their grandparents and great grandparents are buried.

"So, my opposition to this isn't, I would prefer to see our average wage here in Hawaii be at 30, 40 even \$50 an hour if we were able to raise the skill set of the youth and the working citizen in the State of Hawaii where it would merit that. But, because we're not there and we're not really fixing the educational and economic problems that we have in such a way to drive the achievement of that objective which is what Germany has done.

"Germany has been very attentive to the education within their country, has been very attentive to opening up economic opportunity, which has placed them as the top economy in Europe. And all the surrounding countries have statutory minimum wages. This is something out of, Germany is the model that I would like our state to follow for our community and especially for young working families and the youth. Thank you very much, Mr. Speaker."

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

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1028, HD 2, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYMENT," passed Third Reading by a vote of 47 ayes to 4 noes, with Representatives Evans, Fale, Har and McDermott voting no.

At 3:18 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 635, HD 2
H.B. No. 1314, HD 1
H.B. No. 672, HD 2
H.B. No. 1381, HD 2

H.B. No. 847, HD 2
H.B. No. 1028, HD 2

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 857) recommending that H.B. No. 743, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 743, HD 2 pass Third Reading, seconded by Representative Awana.

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

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

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

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

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

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

"Mr. Speaker, reservations and a few comments. I want to say the merit of this bill is excellent, but I have my reservations because I feel that we could be infringing on collective bargaining. The other thing that I want to point out is that public employees, I believe, are allowed one day to attend parent-teacher conferences. Also, they do have an inventory of vacation time that they may take. So, I think we're just trying to strike the right balance of what's acceptable. Thank you."

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

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

"Mr. Speaker, in opposition with brief comments. Thank you. First of all, may I please have the words of the Vice Chair of CPC entered into the Journal as if they were my own. Secondly, my concern with this measure is this. It penalizes those who don't have children. So, essentially what we're saying is, you're giving an additional hour to those who have children, but those who don't, don't get an additional hour. There seems to be some inequity there. Thank you."

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 743, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYEES," passed Third Reading by a vote of 49 ayes to 2 noes, with Representatives Hanohano and Har voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 858) recommending that H.B. No. 634, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 634, HD 1 pass Third Reading, seconded by Representative Awana.

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

"Mr. Speaker, I rise in opposition. Mr. Speaker, this is a job killer, business killer, Tesoro refinery sale killer. It makes you retain as permanent those employees which otherwise the market would control.

We know, you don't have to be in the Finance Committee to know, that government spends 80 cents on every dollar for wages. One of the highest costs of doing business is paying wages.

"The way that businesses survive is to adjust its number of employees. This bill says, by government mandate, you corporations will, according to us, if you divest, i.e. sell you business, you shall maintain and retain those employees. Mr. Speaker, it's a crossing of the line between the private and the public sector. It's not a good policy.

"If Tesoro is not sold and we turn it into a museum, like some of these places that used to be sugar and other mills, and make a historical monument out of it, we'll remember today that we made it like that because you said you can't count down, you can't save costs, you can't cut your costs to make your business sustainable. That's something that we don't do in government, but they do it better and we're crossing the line in the private sector.

"For those reasons, Mr. Speaker, I hope this thing, when it goes to the Senate and back and forth, will allow Tesoro to sell and will not have this as an albatross around their neck. Thank you."

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

"Mr. Speaker, in opposition. One of the struggles that we have within the State of Hawaii is moving Hawaii into the information age and getting Hawaii fully into the advancements of the 21st Century, Mr. Speaker. Now, this bill would further throw a few mines out there that would prevent businesses from coming into the State of Hawaii.

"I'll use the example of the Tesoro refinery even better. If you have two companies and one is struggling and the other is doing so-so, and their merger would bring about a successful business, this bill would put mine fields that would deter the company from either acquiring the other and making sure that they both survive.

"For example, if Chevron were to say, our management of our refinery is such that if we were to take over the Tesoro refinery we would be able to keep that refinery open. But, because the employees are in excess of 100 it would mandate that Chevron would have to keep on all the employees from Tesoro and prevent the advantage being taken care of, of bringing Chevron's management team to manage Tesoro, because you'd have to keep everybody that's there.

"I understand the objective. The intentions of the bill are very good, in that it wants to try and help people keep their jobs. But, like with many things that occur when we rush in with good intentions, it may very well have the opposite effect. For those reasons, Mr. Speaker, I'm opposed."

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

"With reservations, Mr. Speaker. Just noting that I don't think any of us want mainland companies coming in here and buying out our local companies and getting rid of our local workers. So, I think this measure attempts to address that. I appreciate that there are some things in here that have some protections for the business. But, I am a little concerned that it could stop businesses from coming in here when we really need them. So, I'm going to vote reservations. Thank you."

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

Representative Johanson's written remarks are as follows:

"Mr. Speaker, I rise with reservations on HB 634, HD 1. This bill would seek to establish job security requirements on any business with over 100 employees upon divestiture. Ensuring that workers do not lose their jobs is ideal. However, this bill may serve to discourage future investment in local companies and could even lead to business closures. I do not wish to see small businesses have to fold as we attempt to provide security to workers.

In short, my primary reservation is that this bill could be self-defeating and discourage investment in our business climate."

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

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

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

"Thank you, Mr. Speaker. In strong support. I thank the Committee on Labor for moving this bill forward and my friend from Maui who worked on this bill to narrow it down. A couple of points need to be made. If the subsequent acquiring employer pursuant to the human resource requirement does not need all 100 employees, they could go with less than 100 employees. So that's addressed. That was the concern that was raised by my friend from the Windward side. That's addressed here.

"I think we need to look at this as being more of a 'protect American jobs act', or maybe like a little 'protect Hawaii jobs act.' That's what it does here, folks. When a foreign company comes in through acquisition or ownership, changes ownership or operations, and leaves the State of Hawaii for no other reason than they're chasing their dollar and profit, what happens to our local people whose jobs and lives depend upon it? That's what this bill does. 100 or more employees in a workplace.

"So let's say Tesoro leaves town for sound business reasons, and there are 300 or so employees there. Will they be impacted by this law? Perhaps. But, only if a similar refinery operation is going to take place. If it's just going to be a weigh station or transport station or holding station of processed fuels, that exception here regarding the HR requirements will probably kick in. So, they could reduce the number of employees.

"But, at the threshold, that's the intent behind this bill. It's been almost 15 years that we've been debating this bill in this Chamber, Mr. Speaker. So I'm really happy to see this bill before us today, moving out of the Chamber and going to the Senate. And I'm glad that we're getting such strong bipartisan support on this worker-protection bill. Thank you."

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

"In strong support, Mr. Speaker. I would just like the words of the previous speaker entered into the Journal as if they were my own," and the Chair "so ordered." (By reference only.)

Representative Fale rose to respond, stating:

"Mr. Speaker, I understand the concerns that are being raised, but this continues to move us in the direction that would ignore the technological advances that we've been able to experience over the past couple of decades which we continue to see at an exponential rate.

"Now, it isn't ideal but this is the reality of the world that we live in. We have to be able to outfit, again, our young families and our youth within this state with the skill sets that would allow them to thrive in the world that we find ourselves in today. If there was a new technological or management technology that allowed us to more efficiently run an organization, like going back to the Chevron and Tesoro example, if Chevron was using a management system that was more effective that would have allowed them to keep the Tesoro operation alive, maybe instead of losing 300 jobs we would have lost only 100.

"So, this bill continues to keep us from rapidly making the adjustments necessary to bring Hawaii into the 21st Century and to make the necessary adjustments that we need to, to make sure that our state and our people are not only alive but thrive in the 21st Century. Thank you, Mr. Speaker."

Representative Ward rose to respond, stating:

"We are all sharpened by our colleagues and our comments. I appreciate the Representative from Wahiawa who I used to stand across from and say that 'iron sharpens iron' and he certainly has sharpened the second part of my argument.

"That being, Mr. Speaker, we're in a global economy. Everybody is doing business with everybody else. To prove that we're open for business we have to show that we can grow the pie. Precisely what I said earlier, why people think we're anti-business is because of this kind of a bill and because of comments that say, we don't want to do anything other than status quo, we want to keep the visitor industry, we want to keep tourism, we don't want to grow new industries, we don't want to keep other than the same number of employees. When in effect the reality of economic development, the economic theory, the reality of economics is you grow the pie and then you create more jobs when you grow the pie.

"If you just try to keep it the same or lock in costs that are fixed, as we are in this bill, you're going to get mediocrity, Mr. Speaker. We've got hurting, working families that need better paying jobs. We've got to grow the pie not just learn how to slice it or just keep what we've got. The status quo doesn't cut it, Mr. Speaker. This bill is on the cutting edge of that to show that we can better if we loosen up, let these guys who hire people, let them go, get out of their way and grow the economy rather than try to slice the pie up smaller and smaller by having regulations and having the government with its puppet strings running the way business should be running themselves. 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. 634, HD 1, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYMENT," passed Third Reading by a vote of 47 ayes to 4 noes, with Representatives Fale, Kobayashi, McDermott and Ward voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 859) recommending that H.B. No. 546, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 546, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 860) recommending that H.B. No. 151, HD 1 pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 151, HD 1, entitled: "A BILL FOR AN ACT RELATING TO COLLECTIVE BARGAINING," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 862) recommending that H.B. No. 687, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 687, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTRIC VEHICLES," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 863) recommending that H.B. No. 1483, HD 2 pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1483, HD 2 pass Third Reading, seconded by Representative Awana.

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

Representative Johanson's written remarks are as follows:

"Mr. Speaker, I rise with reservations on HB 1483, HD 2. This bill would establish a task force to study the feasibility of allowing the Hawaii Health Systems Corporation to transition to public-private partnership status. My reservations lie with the idea of privatization that is still predicated on government subsidy. The genesis of this bill involves Banner Health. A partnership with Banner Health ultimately continues government subsidization while diminishing government accountability and oversight. Given that the Hawaii Health Systems Corporation serves as the health safety for many of our rural and neighbor island residents, the potential of losing oversight raises serious concerns, thus I rise with reservations."

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

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

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

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

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

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

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

Representative Fale's written remarks are as follows:

"Mr. Speaker, I rise with reservations on House Bill 1483, HD 2. This bill establishes a task force to study, among other things, the feasibility of allowing the operations of the Hawaii Health Systems Corporation regional systems and their facilities to transition to public-private partnership status.

"Mr. Speaker, my concern is that this bill lacks transparency and will greatly impact HHSC workers.

"Dori Smith an attorney and real estate professional living in Maui County submitted this testimony concerning this bill:

'Hawaii will still be required to provide tens of millions of dollars to the 'leased' facilities for various concessions that will be required to the for-profit entity to encourage it to accept financial responsibilities for operations of facilities. The same can be said for current employee/union concessions that will fall out of this arrangement.'

'Vast numbers of local doctors, nurses, techs and support personnel will lose their jobs and be replaced by low-bid personnel from the mainland. The uprooting of all of these Hawaiian citizens and their families is reason enough to oppose this bill.'

'As written, HB1483 would give a for-profit entity unheralded power over the decision to reduce or eliminate critical or important health care resources and programs. There is no counter-control to this other than the perfect coordination of the Hawaii government to create and pass a 'new law' that would block any specific elimination of healthcare services that the for-profit deemed appropriate.'

"Mr. Speaker, for these reasons, I rise with reservations on House Bill 1483, HD 2."

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

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

Representative Takai's written remarks are as follows:

"Thank you, Mr. Speaker. I speak in support of this bill with strong reservations, which I will discuss.

"The Hawaii Health Systems Corporation runs a network of community hospitals mostly on the neighbor islands. We must maintain this safety net of healthcare. Having one or more regions withdraw from it will destabilize it financially and will affect the medical services in the community, especially those in remote areas. Not having a unified healthcare system will threaten the long-term viability of the entire healthcare delivery system.

"We must ensure long-term care will be available to our community. The most vulnerable community members rely on the Hawaii Health Systems Corporation; recipients of Medicare or Medicaid depend on state healthcare facilities. Furthermore, patient volume is low, and most of HHSC's facilities focus on providing long-term care, which often operate at a loss. Yet we still need long-term care for the public health of our community.

"I support HB 1483 with reservations as the state should support the continued availability of healthcare for our community. Thank you."

Representative Yamane 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. 1483, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION," passed Third Reading by a vote of 49 ayes to 2 noes, with Representatives Lowen and Morikawa voting no.

At 3:33 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 743, HD 2
H.B. No. 634, HD 1
H.B. No. 546, HD 2
H.B. No. 151, HD 1
H.B. No. 687, HD 1
H.B. No. 1483, HD 2

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 864) recommending that H.B. No. 111, HD 2 pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 111, HD 2, entitled: "A BILL FOR AN ACT RELATING TO SUSTAINABLE ALTERNATIVE BUILDING CODE," passed Third Reading by a vote of 50 ayes to 1 no, with Representative McDermott voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 865) recommending that H.B. No. 20, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 20, HD 1 pass Third Reading, seconded by Representative Awana.

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 20, HD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR STATE LIFEGUARDS," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 866) recommending that H.B. No. 224, HD 2, as amended in HD 3, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 224, HD 3 pass Third Reading, seconded by Representative Awana.

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

"Mr. Speaker, strong support, written comments."

Representative Awana's written remarks are as follows:

"Mr. Speaker, I rise in support. HB 224 HD 3, Relating to the Hawaiian Language Immersion Program, where student assessments are accomplished to accommodate Hawaiian language students through Hawaiian language speakers. As you and the good Members of this Body are aware, the Hawaiian language is an official language of this State. Advocates have been working on providing parity for many decades. I would like to note that each island is unique in their use of the Hawaiian language. Therefore, I would like to ensure that those doing the assessments are aware of this issue. 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. 224, HD 3, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAIIAN LANGUAGE IMMERSION PROGRAM," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 867) recommending that H.B. No. 674, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 674, HD 2 pass Third Reading, seconded by Representative Awana.

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

Representative Fale's written remarks are as follows:

"Mr. Speaker, I rise with reservations regarding House Bill 674, HD 2. This measure, 'Establishes provisions for charter schools relating to annual independent financial audits, criminal history record checks, enrollment, conflicts of interest, and hiring. Makes amendments to Hawaii's Charter School Law for clarity and consistency.'

"Hawaii Public Charter Schools Network (HPCSN), submitted the following testimony, 'This language will cut off funding for most, if not all, kindergarten students, SPED students who stay in school until their 20th birthday, other overage students born in states with differing entry dates and those who have been retained at younger ages in charter schools. Hopefully this was an oversight. If the bill is not amended to allow for per pupil payment for these groups of students, HPCSN would have to change its support of this bill.'

"Mr. Speaker, for these reasons I rise with reservations regarding House Bill 674, HD 2."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 674, HD 2, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 868) recommending that H.B. No. 725, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 725,

HD 2, entitled: "A BILL FOR AN ACT RELATING TO HIGHER EDUCATION," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 869) recommending that H.B. No. 1380, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 1380, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 870) recommending that H.B. No. 1263, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 1263, HD 2, entitled: "A BILL FOR AN ACT RELATING TO IRRIGATION," passed Third Reading by a vote of 51 ayes.

At 3:35 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 111, HD 2
H.B. No. 20, HD 1
H.B. No. 224, HD 3
H.B. No. 674, HD 2
H.B. No. 725, HD 2
H.B. No. 1380, HD 2
H.B. No. 1263, HD 2

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 871) recommending that H.B. No. 1264, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1264, HD 2 pass Third Reading, seconded by Representative Awana.

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

"Ruling on a potential conflict. My family has a farm," and the Chair ruled, "no conflict."

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

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1264, HD 2, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURAL LOANS," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 872) recommending that H.B. No. 1172, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 1172, HD 2, entitled: "A BILL FOR AN ACT RELATING TO COLLECTIVE BARGAINING," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 875) recommending that H.B. No. 509, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 509, HD 2, entitled: "A BILL FOR AN ACT RELATING TO MAKUA

VALLEY," passed Third Reading by a vote of 50 ayes to 1 no, with Representative McDermott voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 877) recommending that H.B. No. 1136, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 1136, HD 2, entitled: "A BILL FOR AN ACT RELATING TO CIVIL AIR PATROL," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 878) recommending that H.B. No. 719, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 719, HD 2, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 879) recommending that H.B. No. 109, HD 2, as amended in HD 3, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 109, HD 3, entitled: "A BILL FOR AN ACT RELATING TO HAWAIIAN LANGUAGE," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 880) recommending that H.B. No. 535, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 535, HD 2 pass Third Reading, seconded by Representative Awana.

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

"Thank you, Mr. Speaker. I rise in support of House Bill 535, HD 2. I would like this opportunity to discuss the merits of the bill before my colleagues stand up with their vote of reservations.

"Having said that, Mr. Speaker, I'm still very grateful to them because they allowed that this bill go forward to where it's at today. It's very controversial and I understand that. But, Mr. Speaker, as your Chair on the Committee of Housing, on the topic of homelessness, I wrote three goals for the Committee. That is to reduce the number of homeless people in our state, save money for the state, and third, to use the appropriations in its most effective means.

"Last year, we passed into law the Interagency Council on Homelessness. Their mission is to reduce or eliminate homelessness in Hawaii. In their first annual report they pointed out that a solution to homelessness is to build more affordable housing. There was no mention on what we should do today.

"But on the note of affordable housing, Mr. Speaker, I think we all know as a Body that's something we need to do. Although, I stand to refute that affordable housing is something that homeless people can reach.

"Two sessions ago we put into law the Housing First program for the chronically homeless people. The program received an initial appropriation of \$1 million. \$450,000 went to IHS and \$550,000 went to US Vets. On the public info briefing that the Committee held before the session, out of the \$450,000 they were able to help 30 chronically homeless individuals. But it is important to note that the Executive Director of the contracting agency paid herself \$120,750 a year.

The Chair addressed Representative Cabanilla, stating:

"Representative Cabanilla, with your kind indulgence, if you can state to the Chair why this bill is good or bad for the state. State the merits, stay focused on the merits."

Representative Cabanilla continued, stating:

"I'm getting there, please be patient with me. I also invited the other contractor who got \$550,000 but never showed up. The point I'm trying to make here is all these programs that we currently have are very, very expensive, which relates to the parking lots, which I think is less expensive.

"Two years ago the state purchased three apartment buildings along Kapiolani Boulevard. We gave it to a contractor, there were 80 units, Mr. Speaker, and they also got an appropriation of \$780,000 out of the \$63 million that the Governor appropriated for homelessness. If you add the contribution of the tenants and the \$780,000, Mr. Speaker, it's market rent. So, I asked the contractor, who pays himself \$120,000, what is the benefit for the state for owning the building and the land for this transitional housing. And the response was, 'we pay for their utilities.'

"During the Lingle administration, Mr. Speaker, we built a lot of emergency shelters. They were good then, they're still good today. However, what was not mentioned was that the homeless shelters charged \$38 per night plus \$5 co-pay from the homeless person that stays there."

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

Representative Cabanilla continued, stating:

"It is good, and it stays today, because that's the only thing we have for the homeless. We have not moved forward, Mr. Speaker, and that is what I call 'one size fits all' when addressing homelessness. And as you see, today it does not address everybody's needs.

"But, I think as long as we are willing to pay shelter providers, and not all of them are the same, let me make that disclaimer, there's a lot of shelter providers in Waianae and also the Catholic Charities that are very reasonable. However, there are some of them that charge us, the taxpayers, \$148,000 a year for their services. I believe the homeless are being robbed in broad daylight.

"Now, with that argument too, I know Mr. Speaker, you and I tried to pass the return-to-home bill, and it has passed this Chamber three or four times but it doesn't pass the Senate. That would definitely decrease the number of homeless people because even though they're un-housed, the state pays them about \$1600 in assistance every month in terms of food stamps, homeless housing, emergency shelters. If they don't get sick, that's what the cost is. But when it rains or when they get sick, Mr. Speaker, that amount grows exponentially, because when it rains they're all in the emergency room.

"I also want to reiterate that in one of my info briefings the \$63 million that was appropriated by the Governor last year, I asked them, 'what is the impact of that \$63 million? They did not decrease the number of homeless people.' And they told me, no, but it could have been worse if you guys did not appropriate \$63 million.

"I'm getting to the parking lot now, Mr. Speaker. Again, I thank the Body for allowing me to bring this forward. Because like I said in the beginning, there are three goals of the Committee. I know that the reservations are because they are afraid that the parking lot that I am suggesting will end up in their neighborhood.

"There's a huge parking lot in Kakaako, Mr. Speaker, that nobody uses. Channel 2 pointed out to me, why did you build this parking lot and for what? And I said, I don't know. So, the concept is, because we have criminalized people for sleeping in their cars and we are not about to pass a law that you cannot defecate or urinate in Chinatown or Downtown Honolulu. We should have at least a place for them, not just the homeless, but the working poor to sleep at night where we can provide sanitation. And for them to be able to get in there at 6 p.m., and get out at 6 a.m., and

have a good night's sleep so we can feel good about ourselves, Mr. Speaker. So, we can feel good about ourselves that we did something for them. For those people who cannot, or will not, go to a homeless shelter.

"We had an info briefing, the committee did, just to listen, why it is that they won't go to these homeless shelters. The route to homelessness is so variable. So, I believe the approach to solving it should be as varied as the people who are caught in it. We are a civil society, Mr. Speaker, and I think that we are benevolent and I ask everyone in this Chamber to help me find that solution that we can, most of us, agree on. I don't think that we can all agree on a solution, but if most of us agree on a solution, that's good enough. Thank you, Members. Thank you, Mr. Speaker, for listening to me."

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

"Thank you, Mr. Speaker. First, I'd like to say I have strong reservations. Although I appreciate the Representative from Ewa's comments, I have a few things to say, if I may.

"This is talking about nighttime parking and possibly public parking lots. This has not been tried before. There was a pilot on Kauai and a pilot on Maui. Neither one of them panned out to what was expected. I do come from the Waianae coast and in 1999 from Kalaheo to Makaha we had roughly 280 homeless individuals. By the year 2003 we had 3,000 homeless individuals. The previous administration had set out this emergency proclamation and dealt with that. Today you can probably count an upwards of maybe 400 individuals in that same area. We have emergency, we have transitional, we have different opportunities for success rates for these people transitioning from homelessness into housing.

"There is a need for affordable and low-income housing. That is a no-brainer in here, we understand that. In fact, in my community there was a project that went bankrupt, there's a company that's going to buy it, 70 units they're going to allow self-help building there. Those are the things we need to focus on. I have been attending the homeless interagency council meetings and that's quite true, their focus is housing. But, their focus is on housing first.

"That's why they've looked at projects like the 100,000 Homes Campaign. Identify the first 100 most vulnerable individuals, at which they got 483. They have already placed a few of those individuals. Housing first, then deal with some of their chronic issues, such as mental illness, alcohol, drug, even social issues, trying to put them back into a structured living format. That's going to take time with some of these individuals.

"That's why we're looking at all different options, such as parking lots. We have visited this in our community, in the Waianae community. My opposition to this is if we're going to use public parking lots, we will be held accountable for the liability. And if the measure continues the way it is, we'll have to make sure these individuals don't have any substance abuse or alcohol abuse. These are going to come to dollars. I don't have a problem if a private entity would like to get into this and provide a private parking lot, I am all for that. But, when we start looking at the public parking lots and the public liability for the general populace, I start having issues with this.

"Our focus should be, how do we have people get success. And the success is the Housing First model. The success is getting them into an emergency, a transitional, public housing or private rental structure. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. I rise in support. First of all, I want to thank the Chair of Housing who really works diligently to try to figure out this homeless shelter, emergency shelter problem that we have in our State. I thought about it earlier today and I was reminded that when you are on the mainland they have truck stops and they have rest stops, which is not what we have in Hawaii. If we were on the mainland we would find homeless people or people just traveling that they will pull over in those rest stops

and truck stops. And the thing about those places is they usually have lighting and normally people, I believe, feel safe because normally the state patrol or the Sheriff would be driving by those bus stops or truck stops.

"So what do we have in Hawaii? If you're a person that, let's say, you just have to leave a bad situation. Let's say you get unemployed or domestic violence and you have your car and you have to leave, is it best to have them parking on a street? In a neighborhood? Or is it better to have these emergency places? I don't think the goal of this is to have permanent parking lot emergency shelters. I think it's unfortunate right now with the recession and what happened that we have a lot of people that are homeless.

"But, when I look at the bill and the way it was written, which says, 'the department, in consultation with the mayor of the applicable county and any interested public or private homeless assistance programs, may designate in each county temporary nighttime parking lots that will be used to provide safe overnight parking for homeless individuals who live and sleep in their motor vehicles and who would otherwise park overnight on public or private roads or property. To accommodate regular public parking daily from 6:00 a.m. to 7:00 p.m., nighttime parking for homeless persons at these designated parking lots shall be allowed daily from 7:00 p.m. to not later than 6:00 a.m. the next day.'

"What I believe is this will never happen if you don't have the mayor working with them. Sometimes things get really bad and it's just a way to accommodate it. Again, this is about food, clothing and shelter, the basics. If we're not dealing with affordable housing or have access to emergency shelters, I would like to see a single woman with a child or by herself, I'd rather have her sleeping in a car in a parking lot that's safe, than have them pulled out somewhere on the side of the road.

"I think it's unfortunate we have to do it, but I think that the Chair, I'm sure that she's heard horror stories, but, she's had to look at this problem deeply as long as she's been the Chair of Housing and I applaud her for trying. Thank you."

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

"Thank you, in support with some reservations. My reservations are based on that it should just be held to public parking facilities. I want to thank the introducer of the bill because it does some good things. One, it takes into account the safety of those that are less fortunate, especially the *keiki*. Two, it's just been brought to our attention on Kauai that there are homeless people that are now camping in *wahi pana* areas, areas that are sacred, areas like Salt Pond. So, if we can designate appropriate areas, that will alleviate some of those problems.

"Now, I just want to say also that, yes, in 2011 the Kauai Continuum of Care did try a pilot project and they ran into many different obstacles and it was overwhelming. But that should be no excuse to stop trying. Look at this very Body, we introduce the same bills that die or get vetoed over and over again, but we don't give up. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. I'm standing in opposition. Please let me briefly explain the concerns that I have on the bill. Very briefly, Mr. Speaker, if you look at the measure before us it does not require that the department or the county shall meet with or discuss or get approval or get collaboration from members of the community that actually may live next to these identified parks or parking lots, Mr. Speaker. As many of you have in your districts, you have county parks or even park and ride areas within your community that may be potentially designated for these potential parking establishments.

"Also, Mr. Speaker, there's no discussion about requiring appropriate sanitation and facilities for individuals, children or families that may use this type of opportunity, Mr. Speaker. There are a lot of concerns that I have in regards to requiring the counties to be responsible, and the

organization and set-up being developed by the department. Again, the major issue that arises is the lack of community notification, participation, identification of this problem. So, I'm in opposition. Thank you."

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

"Thank you, Mr. Speaker. I respectfully rise in opposition to this measure. It's a noble and commendable goal that embodies the *aloha* spirit. In all honesty when I first read it I was completely in support. I thought this would be a great, great bill for the houseless community. But after listening to the testimony in the Housing Committee, it really changed my mind. Not only did DHS come out with serious concerns in regards to the Kauai Continuum of Care, the pilot program, with liability as well as sanitation.

"Also, many members of the houseless community came out and spoke out against this measure, saying, before we try to create anything new, let's really work on the programs that we have. And I thought that was a very important goal and coming from the people who are really affected by it. If they came out and took the time to testify, saying, this bill is not something that we want, I respectfully have to vote in opposition. Thank you."

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

"Mr. Speaker, I was in opposition to this but after hearing the words of the Representative from Ewa, I think I will vote with strong reservations in regards to this measure. The reason why I do so is that I have no experience with homelessness. There's no homelessness in the community that I was raised in and it's something that really is foreign to me and it's something that I still don't understand to this day. I don't understand how individuals who obviously have mother's and father's and probably brother's and sister's and aunt's and uncle's and such, how we find ourselves living in a society where the family attachments have eroded themselves to a state where there is no longer the care that I am familiar with that is extended between family members.

"So, Mr. Speaker, I struggle with this issue because I think it speaks to a greater underlying issue that afflicts our community and I don't know how you would solve the homeless issue other than to restore the family to its rightful place and to strengthen the bonds that exist. There's no way in good conscience that I would allow any of my brother's or sister's or any of my cousins to live in such conditions. So, I don't know what to do about that, Mr. Speaker, but I'm deferring at this time to the Representative from Ewa and maybe this is an innovative way to solve the issue. And, with that, Mr. Speaker, I support the measure, yet with strong reservations."

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

"I rise with reservations, Mr. Speaker. Mr. Speaker, this is a teachable moment bill. It shows us that we really don't know what we're doing or we have a handle on what is really in front of us. I don't think we know how to solve this problem, save the resurrection of Frank Fasi, who could probably get the job done. He'd figure something out and we're still probing. And this is the positive part of what I want to say. We've got to try as many innovative things as possible. Let's learn from what happened on Kauai, let's learn from what happens on the Big Island. Let's try this thing out, let's perfect it. It's not an easy problem but the ultimate was given as the best solution from the last speaker, and that was, a home is the best solution for the homeless. A family in a home.

"And that's the break-up of the family. This is symbolic of what's happening in America. The family has disintegrated and what we have left are things we don't know how to put back together. So, Mr. Speaker, let's progress ahead, let's experiment, let's do the things and let's hopefully come up with something where even \$63 million and a czar to head it up can't do it. I think we need to put more brains and innovative, creative things, more entrepreneurial homeless spirit if you will, into doing this and solving it. Thank you."

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

"Thank you, Mr. Speaker. In strong support. Mr. Speaker, all the fears we have, that we believe this bill will create, are already happening now. If you spend any time in the primary urban core you see all these issues. We can either decide how we're going to handle it or by default have all the problems that you believe, will happen because if this bill passes. We know what hasn't worked, everything regarding chronic homelessness.

"So, we need to try new solutions and be brave. When we have a natural disaster, the first thing government does, it provides shelter to those who don't have a home. Today we have an economic disaster and the response should be the same. We're never going to build enough shelters to house these 6,000 or so people without homes throughout the islands. So, this is at a reasonable cost, it's not going to be easy, but it certainly will require just as much energy to fix this problem as to avoid it, which we've really been doing for a long time. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. In opposition and I'd like the words of the Representative from Waipio Gentry and the Representative from Mililani adopted as my own. Also highlighting just again, that my main problem with this bill is it doesn't seem to be an adequate mechanism for community input. Thank you."

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

"Mr. Speaker, I rise in support of this measure. I would like to commend the Housing Chair for advancing this legislation. I think that being the Chair of the Housing Committee is kind of a no-win situation when you're dealing with the homelessness issue. Because as we all know, there are no clear answers, there are no clear short-term solutions and there aren't even clear long-term solutions. It's a very difficult issue and it's important that proposals and alternatives be advanced on this Floor for us to consider.

"That's exactly what the Housing Chair is doing for us today with House Bill 535. It's important to remember that this legislation does not require the establishment of parking lot programs. It basically gives the discretion to the Department of Human Services to work with the counties, to work with the mayors, and with organizations that are interested in developing these programs. It does require that in the event that there is agreement to establish these programs, that safeguards be put into place, such as hours of operation, substance abuse controls, and also counseling and mental health services.

"It's also important to note that this is in effect a home rule issue as well, because the mayors have the discretion to work with the state to implement these programs. Kauai and Maui discontinued their programs basically because the non-profit agencies that attempted to implement them had concerns over liability issues. That's an issue that needs to be worked on. They wanted to continue those programs but could not because of those issues.

"So, again, I'd like to thank the Chair for advancing this legislation and for her work in attempting to mitigate our homelessness challenges. Thank you very much."

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

"Thank you very much, Mr. Speaker. I speak in favor of the measure. I would like to have the remarks of the Housing Chair as my own. I believe that the Housing Chair's message to us was a plea to help her resolve the housing problem. Nobody thus far has come up with any ideas to resolve the housing problem and that includes the executive, the mayors and everyone else. So, what you have is a dire plea. She has a problem, she wants to solve it. She needs your help, not your criticism. So, do what you can to help the housing area and to help the Chairman. Thank you very much, Mr. Speaker"

Representative Jordan rose to respond, stating:

"Mr. Speaker, thank you. For the second time, still with strong reservations. I'm not fearful of NIMBY, in my backyard, because we hit it

straight-on, head-first, in 2003. I have been working on this issue, such as my neighboring Representative from Nanakuli and Honokai Hale. We have both been hitting this head-on for the last 12 years.

"We have emergency, we have transitional programs, we have outreach community programs. Our State Department of Human Services has requested in their budget measures, Housing First programs - \$1.5 million. They've requested \$1 million to do subsidies for the neediest families. So, we are addressing these issues, we are listening to what the Homeless Interagency Council is proposing, we are listening to this.

"When I review the testimony on this measure I don't see one piece from any city and county mayor, saying they support or don't support. That raises a major red flag for me when we're asking the counties to weigh-in on this. So, I'm open, still with my reservation, to continue the dialogue on this particular matter which has a date of 2030. That's how I'm continuing to support this dialogue. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. Just really quick, I'd like the words of the Chair of the Housing Committee adopted as my own. I'd like to really thank her because if she had said those words in a more appropriate forum I think there would have been a standing ovation on her words. Because I think she expressed the thoughts of many of us in this Chamber.

"Clearly it's not a perfect bill, but it may be a good bill. So, let's keep moving it forward. I appreciate the comments of the Majority Leader and the Speaker, I think it shows strong support and hopefully we'll move this bill forward and find the necessary means to support this program and like programs for the homeless. I just need to point out that this is one of the reasons why we need to look at all options, so that we don't have to penalize the fact that people are merely homeless or houseless. Thank you."

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

"Mr. Speaker, I rise in strong support of this measure. My wife and I have a very soft heart for the homeless, the poor and the needy. The reason for that is, when we came here in 1971 we almost became homeless. I had to walk the entire market street to find a place to stay in dead winter. When I hear some of the Members of this Body in strong opposition, I don't know what to say.

"I wasn't about to speak, but as soon as I became a Member of the House of Representatives in 1984, one of the first things that I passed was about the homeless because of my experience. It's called the Hale Kokua bill. What it did, what it's going to do, is to separate the homeless because there are two kinds of homeless, special needs homeless and the working homeless. On the special needs homeless we have to institutionalize this, and the working homeless put them in a home setting.

"That bill passed and it's still in the books. However, some of the non-profits, I guess for no reason that has been explained to me, more or less need both kinds of homeless to fill their institution to a point that it was never implemented, but the policy is still in the books.

"Now, when I went to the Council I again tried to help the homeless. Because they were in the park, before we knew it they came up with a policy to drive them out. So, what did they do, they moved to the fringes of the park. They came up with another policy driving them out. What did they do, they went to the sidewalks, which is what it is now.

"So, I proposed at one point in time that by separating the working homeless and the special needs homeless, let the special needs homeless, those that are on drugs, mentally, alcoholic, etc., in an institutionalized setting. We can take care of the working homeless by more or less proposing to them to designate a place in the park that they can possibly sleep from 7:00 at night to 7:00 in the morning. They fold their tents, they try to police themselves. That thing never happened because sometimes you need to experience to be able to have the heart to help them out.

"In the bill that I proposed it takes the city, the state and the federal government working together. I first tried the working homeless in a home setting because there are times when people need companionship, some house sitter and to clean the yard. All of those were in the bill at that time and we passed it out.

"So, we should at least work together. Let's have a heart to help the homeless because who else is going to help them out. We should do it, and I'll be willing to help the Chair. It's a bill in progress and the only reason why I did not concentrate on doing this, even though I have the desire to do that, is because I was given the assignment to look at the bigger issue which is the unfunded liability which I'm trying very hard to pass out. So, with that, Mr. Speaker, I strongly support this measure. Thank you."

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

"Thank you, Mr. Speaker. I rise in strong support, written comments."

Representative Awana's written remarks are as follows:

"Mr. Speaker, I rise in support of HB 535 HD 2. Mr. Speaker, first I would like to commend our House Committee on Housing for looking into creative options at addressing homelessness. This issue Mr. Speaker is not a glamorous issue – it is an issue that many look down upon or look away from. Homelessness is a NIMBY issue. It exists in every community, but few come forward in relation to the amount of homeless who need assistance.

"As a representative from an area where homelessness was extremely prevalent, thousands of individuals and families with infants and young children resided on the sides of the street, in city and county parking lots and along the beach. We addressed this issue by providing both transitional and emergency shelter. The residents in the Waianae Coast have come forward and helped to be a part of the solution. Some residents were relieved that they would 'get their beaches back' and others were reluctant to have a shelter near their home, but Mr. Speaker they did come together for a solution.

"Many in these shelters were not from the Waianae Coast. They were from other parts of the island, other parts of the state, other states and even other countries. Many in the 43rd District have shared their concerns that if other communities did not come forward, more will be attracted to move to those areas where services are provided as the Waianae Coast. This bill provides solutions to areas where homelessness exists but spaces and funds are limited. For these reasons, I stand in support."

Representative Fale rose to respond, stating:

"Mr. Speaker, still with strong reservations and a slight rebuttal. I believe that in the long-term we can solve this problem but I believe it's going to come through solving the strength of our family issues and if we're able to achieve that we will resolve. I've seen it, I grew up in a community and a country where there was no homeless and I believe it's an achievable goal.

"The second thing, Mr. Speaker, is our Housing Chair mentioned a contractor that was paid \$500,000 who didn't show up. I am hoping that this contractor's past performance will be taken into consideration for any further contracts in the future, Mr. Speaker."

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

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

"Mr. Speaker, at first I was opposed to this measure but I'd like to change my vote to strong reservations. But I'd like to continue the conversation. Thank you."

Representative Yamane rose to respond, stating:

"Mr. Speaker, second time, still in opposition. Let me say brief comments in regards to concerns regarding those with the intent on why this is a problem. As a licensed social worker who actually works with homeless on two islands of this great state, I have some experience working with homeless, homeless families and their children. Mr. Speaker, if it is an issue of home rule, as mentioned earlier, then rather than coming up with new programs, why don't we increase the budget and give the money to those who are in the field to come up with innovative services and programs.

"Mr. Speaker, too, this is an issue requiring counties to be involved, yet I'm pretty confident, talking with many of the county mayors and county councilmen and women, that they're able to handle and deal with those situations within their own backyard. And if they came to us for a request to work together, I think measures like this would move forward. However, if you leave it to the professionals, if you leave it to the counties who are dealing with these issues, and it is truly a home rule issue, then measures like this wouldn't move forward and we would put it in the budget. Thank you."

Representative Cabanilla rose to respond, stating:

"Thank you, Mr. Speaker. I just want to make a couple of remarks in acknowledgment of the idea of my colleague from Laie. Yes, it's very true we need the families involved. And we've tried. This Body passed the family reunification bill two years ago. However, the Senate attacked it and the very people that attack measures such as this are the non-profits that help the homeless. Because like previously mentioned, it is now a revenue producing endeavor.

"Secondly, this is not my claim to fame, because this idea had been tried in numerous cities in the mainland. We can learn from the mistakes of the cities who have tried it. And thirdly, Mr. Speaker, the reason why there is funding in this bill, because those two entities on the other islands that wanted to try it had to pull back because they realized they needed money for sanitation and also the insurance premiums went up when they found out that there would be homeless in this facility. Those are all valid needs, Mr. Speaker, so I would still want you to support this bill with the appropriation so we can properly address the needs of those private organizations that want to help us. 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. 535, HD 2, entitled: "A BILL FOR AN ACT RELATING TO HOMELESS PROGRAMS," passed Third Reading by a vote of 43 ayes to 8 noes, with Representatives Aquino, Cheape, Cullen, Fukumoto, Johanson, Tokioka, Wooley and Yamane voting no.

At 4:17 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 1264, HD 2
 H.B. No. 1172, HD 2
 H.B. No. 509, HD 2
 H.B. No. 1136, HD 2
 H.B. No. 719, HD 2
 H.B. No. 109, HD 3
 H.B. No. 535, HD 2

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 882) recommending that H.B. No. 1209, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 1209, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE LEGISLATIVE BROADCAST PROGRAM," passed Third Reading by a vote of 50 ayes, with Representative Ichiyama being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 884) recommending that H.B. No. 369, HD 2, as amended in HD 3, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 369, HD 3, entitled: "A BILL FOR AN ACT RELATING TO FIRE SAFETY," passed Third Reading by a vote of 50 ayes, with Representative Ichiyama being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 886) recommending that H.B. No. 1027, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1027, HD 2 pass Third Reading, seconded by Representative Awana.

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

"Mr. Speaker, in strong support."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1027, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ELECTIONS," passed Third Reading by a vote of 50 ayes, with Representative Ichiyama being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 889) recommending that H.B. No. 749, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 749, HD 2, entitled: "A BILL FOR AN ACT RELATING TO WORKFORCE DEVELOPMENT," passed Third Reading by a vote of 50 ayes, with Representative Ichiyama being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 890) recommending that H.B. No. 414, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 414, HD 2, entitled: "A BILL FOR AN ACT RELATING TO WAIPIO VALLEY," passed Third Reading by a vote of 49 ayes to 1 no, with Representative Coffman voting no, and with Representative Ichiyama being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 891) recommending that H.B. No. 429, HD 1 pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 429, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY," passed Third Reading by a vote of 50 ayes, with Representative Ichiyama being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 892) recommending that H.B. No. 481, HD 1 pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 481, HD 1 pass Third Reading, seconded by Representative Awana.

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

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

Representative Har 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 Har's written remarks are as follows:

"Mr. Speaker, I rise with reservations on Standing Committee Report 892, House Bill 481, House Draft 1. Currently, this bill would allow individuals to build an indigenous Hawaiian *hale* on farming lands without a building permit.

"Although I support the intent of this bill, it would ultimately undermine the original purpose of building permits. As the Department of Agriculture states in their testimony, the process for obtaining a building permit 'creates a minimum standard that potential structures must meet for safety as well as public health reasons.' If the Hawaiian *hales* are built without permits, they could potentially create unsafe conditions. For example, *hales* would be at high risk for fires but would not be regulated by a building permit to be constructed at least 100 feet away from other buildings.

"For this reason, I rise with reservations on Standing Committee Report 892, House Bill 481, House Draft 1. Thank you, Mr. Speaker."

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 481, HD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURAL LAND USE," passed Third Reading by a vote of 49 ayes to 1 no, with Representative Choy voting no, and with Representative Ichiyama being excused.

At 4:19 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 4:19 o'clock p.m.

At 4:20 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 1209, HD 1
H.B. No. 369, HD 3
H.B. No. 1027, HD 2
H.B. No. 749, HD 2
H.B. No. 414, HD 2
H.B. No. 429, HD 1
H.B. No. 481, HD 1

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 893) recommending that H.B. No. 482, HD 1 pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 482, HD 1 pass Third Reading, seconded by Representative Awana.

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

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

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

"Ruling on a potential conflict. My family has a farm," and the Chair ruled, "no conflict."

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

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

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

"Thank you, Mr. Speaker. In support and I'd like reference an email and an op-ed from 2008 when this loophole was passed. I just want to describe how this loophole started and why it is of concern. We all cringe when we see the legal fees that we have to pay as a state to defend various lawsuits and pay off debts. Well, with this loophole we've created potential for unknown liability and a drain on our state funds and we're encouraging big land owners to sue the State. It's bad policy.

"In Conference Committee this section was added and there was no public hearing on the issue. Again, if we're going to provide a subsidy like this you would think that we would give it to the people who couldn't actually afford to hire attorneys. But, in this case, we did the opposite. IAL incentives have nothing to do with small farmers. They were developed by a group dominated by big land owners and there were many give-aways in the process.

"Small farmers usually receive their water through the municipal system at far more expensive rates than these large land owners. Again, the IAL water litigation tax breaks create perverse incentives for big land owners to divert and stonewall and delay public and community efforts to restore balance in river and stream flows.

"I'll give you an example. In the *Na Wai Eha* case in Maui there are two large corporations who have refused to restore a single drop into the stream willingly. After years of litigation and the community's effort to restore bare minimum leftover flows last year, the Hawaii Supreme Court finally struck down those claims in the ruling of the water commission.

"This was at least the fifth time the water commission has been reversed for overly favoring corporate diverters. So, on top of all of this public, social and cost of litigation, why are the public and the taxpayers subsidizing the legal fees for obstructionism? So far it's estimated that the bill for this one litigation, just one, is between \$1 and \$2 million.

"Members, let's reduce the state's liability, stop subsidizing land owners to sue the state and try and take water from our streams and our taro farmers, and eliminate this loophole. *Mahalo.*"

At 4:24 o'clock p.m., Representative Har requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 4:28 o'clock p.m.

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

"Thank you, Mr. Speaker. I request a ruling on a potential conflict. My husband works for a non-profit that sometimes litigates these types of issues. Thank you," and the Chair ruled, "no conflict."

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

"Mr. Speaker, thank you. Standing in support with reservations and just brief comments. When we passed the IAL law back in 2008, I believe, the whole point was to incentivize land owners to put, at the time I believe it was 15%, of their land into IAL so that these lands would be preserved in perpetuity for agriculture. The trade-off was other incentives, because what incentives these large private land owners have to be putting their land into IAL without the state dangling a carrot.

"So by pushing out a measure such as this you're actually disincentivizing those land owners from wanting to put their land into IAL. For those reasons, Mr. Speaker, I stand with reservations. Thank you."

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

"Mr. Speaker, those were my exact sentiments and may I request those be entered into the Journal as my own. With reservations, thank you," and the Chair "so ordered." (By reference only.)

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

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

"Thank you very much, Mr. Speaker. With reservations and could I also adopt the words of the Representative from Kapolei as if they were my own. A few comments, Mr. Speaker. In 1978 the Con-Con said that we have to identify Important Ag Lands. This issue has been around. In 2008 we passed it, that was 30 years after it was first pushed forward in 1984. The LESA Commission tried to address it. When I came in, in 2005, I had a bill to address IAL and I said at that time that we had to tie it to water because if we were going to protect Important Ag Lands, in perpetuity, we wanted that for the purpose of using it for agriculture.

"Without water there is no Ag. I thought when we passed it, it was a mistake not to tie to water and that's why these issues, this argument I guess, is still with us today. Thank you."

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

Representative Ito rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered." [Note: Representative Ito's vote was later recoded as a no vote.]

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

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

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

"Mr. Speaker, in opposition. May I proceed to share a few insights about why this particular measure was adopted? For all of us we go back to the days of the 1970 Con-Con. There's just one individual here who was a particular delegate to the Con-Con and that's our great Speaker Souki. One of them was the water commission that was created and secondly the other one was Important Agricultural Lands.

"I believe the Upcountry Maui Representative is correct. It took us over 30 plus years to get to a point of how can we, in the Legislative Branch, get large private land owners to dedicate agricultural lands that they owned as Important Ag Lands.

"We have talked among all of us on this Floor the past number of weeks of how important agriculture is. To get these big land owners to agree to dedicate a portion of their lands that they own in perpetuity as Important Ag Lands was the intent in getting these Ag lands preserved for future generations. I must commend the present Water & Land Chair for her analysis of what has happened. But, is it our right now to infringe on the private land owner how they could use this tax credit that the Legislative Body granted? And that tax credit, Members of the House, came from another tax credit, which was the Ko'olina Tax Credit of \$70 something million.

"We did not increase the budget one way or another. It was budget neutral based on the past legislative appropriation or legislation in regards to giving the tax credit to the Ko'olina development for their new aquarium, which did not occur. We took that and we used that to incentivize private land owners in the four counties.

"For this particular land owner, which I personally don't know what they're doing on the Island of Maui, but if it's a court case in regards to the water allocation, don't you have that right to use that tax credit the way you see fit to preserve the jobs for those who are in HC&S? To preserve the

irrigation system of the East Maui irrigation system? I'm not delving into how they use the tax credit, but in this particular case, what we are doing is carving out that you cannot use the tax credit for any litigation or counsel. Which is fine because that's a policy that the Members of this House have to address.

"My only point is this. If I was Grove Farm, if I was Ulupalakua Ranch, if I was Parker Ranch, and I dedicated Important Ag Lands in perpetuity for the people of the State of Hawaii and the future generations, why can you not let me use the tax credit where I feel I could use it for the best of the sustainability of the company? That is what we're discussing today.

"I'm not going to get involved in telling this particular land owner or developer how he or she could use this tax credit. But, in this particular case I can respect the Chair's decision that it should not be used for legal fees or legal counsel. And I truly believe that this is one of the unintended consequences that the Legislature adopted in trying to preserve Important Agricultural Lands. And I can understand how each and every one of you may feel. But the key is that you have to, as elected officials, put that carrot out front there for these big land owners to dedicate their agriculture lands as Important Ag Lands, that's one.

"Secondly, I'm happy we are having this discussion, too. Because I've shared with a lot of Members, past and present, the concern that I have today of where the state is headed in regards to agriculture.

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

Representative Say continued, stating:

"Thank you very much. Why I say this, this afternoon, is because we, as a state, we as a community, we in the legislative branch, are losing control of land and water. We had an excellent discussion this morning or this afternoon on the issue of controlling interest in reference to the conveyance tax. We are not addressing one of the biggest issues which all states are trying to address. How do we address these issues with hedge-fund investors who are not even presently here in the State of Hawaii, that someday may buy these particular properties, and not share with us what their visions are.

"I'm very awkward because I feel like I'm a dinosaur, yes. But, I was very privileged, for all of you here, to have been given the opportunity and privilege to have worked with people like Doc Buyers of C. Brewer. You could call him up and he would set up the appointment. Another individual that I had the opportunity to work with was Mr. Henry Walker of Amfac. Another individual that some of you may know here, was a great man, Mr. Bobby Pfeiffer of Alexander and Baldwin.

"These were the *kamaaina* companies, where today there are only one or two *kamaaina* companies, or three, which is the Outrigger Hotel Corporation, the only locally-based hotel management company, Matson and A&B, and that is it. You may have on the island of Kauai, Grove Farm, but is that being offered for sale? And is Hawaii for sale? To all of you, my answer is, yes.

"But let's go back to the past, 20 years ago, and correct me if I'm wrong or right, but that book was *Land and Power* by Gavin Dawes. Now we have come to this point in our history, as a state, on addressing this particular issue. As far as 51 Members of this House, can we all control our destiny for the future generations of the people of the State of Hawaii. Where you have these absentee owners that are part of the REIT's, real estate investment trust. Where you have people with hedge-funds, like Blackstone, Cerberus. Like the big land owner that acquired Mapunapuna and has jacked-up the lease rents 200 - 300%, forcing the 'mom and pop's' out of their sustainability and survivability of their particular business.

"Let's be honest with ourselves. Maybe the bill that we had passed a number of years ago in regards to Important Ag Lands should have addressed what can or cannot be used with the tax credits. And I can appreciate this discussion. The corporate company that did this used the credits, fine. But, we had to incentivize them to dedicate lands as Important Ag Lands, for perpetuity. And if not, if they were to take it back,

as far as declassifying it from Important Ag Lands, they would have to pay a penalty to the State of Hawaii.

"That is why we are here at a very crucial point. Are we delving into corporate operations and administration in regards to what can or cannot be done with the tax credits? I don't want to get to that point. I have to put my faith and trust in that particular corporation or business that is doing business here in the State of Hawaii. But at least it is being highlighted this afternoon for all of you.

"So in closing that is why I'm opposing this particular measure. If I was that business person to say I cannot use it for my legal fees in doing the application process and so forth, I'm not going to apply to designate my lands, which is agriculture classification, as Important Ag Lands. Thank you very much."

Representative Wooley rose to respond, stating:

"Thank you, Mr. Speaker. In rebuttal and still in support. I want to thank Speaker Emeritus, I really enjoy these conversations and I enjoy hearing from him. That history and perspective is always useful and we really don't disagree on much. I'm not actually sure I fully understand why he is giving a no vote. But, if you look at the language in this bill there are still major provisions for IAL land owners.

"The policy issue here that is of extreme concern is that we have not limited in any way the amount of money that they might be able to claim. And we are promoting litigation against the state and in favor of taking water rights from the streams and our taro farmers. That's what we've done. This particular legal fee provision.

"So, a lot of the other carrots provided for the IAL land owners are great, they're all there. This one was a mistake, in my opinion. *Mahalo.*"

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

"I rise in support with some reservations. I'm looking at the bill itself and I think the Ag Chair is correct. I think what she's attempting to do is basically prohibit the access to the tax credits for Important Ag Lands for cases where there might be legal fees awarded pursuant to litigation or contested case hearings as in the Maui case.

"But, when I read the current language there, I think there is embedded within the current incentive structure the ability to receive reimbursements, so to speak, to the credit, for regulatory processing studies and consultant services related to obtaining or retaining sufficient water for agricultural activities and retaining the right to farm on lands identified as Important Agricultural Lands.

"So, I think the comments the Speaker Emeritus made and the Representative from Maui on the history of the Important Ag Lands and the constitutional amendment all tie into this one subsection 4 of the current law. What incentives do we give the current land owners who want to retain the present use for water or have a challenge or at least protect it? That's what's embedded in here, so I would suggest that as it moves along maybe to narrow it down to maybe litigation costs or something like that. But regulatory processing studies and consultant services, some of that could be part and parcel legal services besides other types of fees and charges. Thank you."

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

"Mr. Speaker, I rise in support of this measure. I'd like to provide further clarification on what this bill does. It basically addresses the tax credit that is found in HRS Section 235-110.93. The tax credit provides a reimbursement for what is termed as 'qualified agricultural cost.' Those costs are defined as expenditures for the following categories.

Number one, plans, design, engineering, construction, renovation, repair and maintenance and equipment for roads or utilities, agricultural processing facilities, water wells, reservoirs, dams, water storage facilities and agricultural housing. Number two, feasibility studies, regulatory

processing and accounting services. Number three, equipment related to agricultural purposes. And number four, regulatory processing studies and other consultant services that are related to the agricultural activities.

"So, what this provision tells us is that the tax credit is very extensive and covers a host of costs that are associated with the development of IAL lands. The legal portion of this tax credit is actually very small when you compare it to all of the other aspects of this credit. The tax credit is capped and it is based on a sliding scale.

"I would submit, Mr. Speaker, that if a landowner is unable to develop IAL parcels because of a loss of the legal services tax credit, then perhaps they shouldn't be in that business to begin with when you consider all of the other associated expenses that are tied to the development of IAL. Thank you very much."

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

"Mr. Speaker, with reservations. I didn't want the historical, profound and heartfelt comments of Speaker Say to go without acknowledgment and I'd like them to be inserted into the Journal as if they were my own. And thank you for indulging him to go off the context of the bill specifically because these things are a wealth of information when we get people with that experience to bring that to the Floor.

"I would only add one thing. The constitution mandates us, repeat, mandates us, to preserve agriculture. If we want to dis-incentivize what they said in the very beginning, I think we're making a mistake by forgetting that our heritage is where our large landowners still own the majority of the land in the State of Hawaii. Why all of our houses are so expensive, there's 10% of it that's traded among us small guys. The big guys and the government own the big part of it. We've got to give them incentives to give more Ag land into the Ag land bank. This is a way of doing it, but I really appreciated the historical perspective of how we got where we are and we're mandated to keep pushing to the future to preserve Ag land. Thank you, Mr. Speaker."

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

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

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

Representative Hashem 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. 482, HD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," passed Third Reading by a vote of 44 ayes to 7 noes, with Representatives Cabanilla, Fale, Ito, McDermott, Say, Tokioka and Tsuji voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 894) recommending that H.B. No. 101, HD 1 pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 101, HD 1 pass Third Reading, seconded by Representative Awana.

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

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

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 101, HD 1, entitled: "A BILL FOR AN ACT RELATING TO FUEL TAX REVENUES," passed Third Reading by a vote of 47 ayes to 4 noes, with Representatives Coffman, Ito, Say and Tokioka voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 895) recommending that H.B. No. 892, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 892, HD 2 pass Third Reading, seconded by Representative Awana.

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

"I just wanted to state my opposition and just say, this bill proposes to increase the motor vehicle registration fee by an unspecified amount right now to cover the expenses of DCAB, which I think is a great cause and right now is 100% general funded and I'd like to see it stay that way. But, I just wanted to express that my concerns right now are that my constituents are still complaining about the recent increase in motor vehicle registration costs and I think most of them would agree and would want me to act in a way that's fiscally responsible and will take from the pot of money we already have instead of reaching into their pockets to get more. Thank you."

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

Representative Fale's written remarks are as follows:

"Mr. Speaker, I rise in opposition of House Bill 892, HD 2. This bill will 'increase the state motor vehicle registration fee by an unspecified amount, to be deposited into the Disability and Communication Access Board Special Fund to cover the costs of administering the parking program for persons with disabilities.'

"Mr. Speaker, my concern is that an increase in the state motor vehicle registration fee would burden residents in my district who are struggling financially.

"The Tax Foundation of Hawaii submitted the following testimony concerning the bill:

'This measure is asking all motor vehicle owners to subsidize a program that should be paid either by the disabled driver beneficiaries or by the public at large through a general fund appropriation. Enacting such a fee insures that the funding for this program will always be flying under the radar as there is no accountability to the motor vehicles owners who will be paying the fee for a program from which they derive no benefit.'

'More importantly, motor vehicle taxes are dedicated for the construction and maintenance of the state highway system. Deviating from the relationship between users and beneficiaries seriously jeopardizes the accountability for this fee.'

"Mr. Speaker, for these reasons, I rise in opposition of House Bill 892, HD 2."

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 892, HD 2, entitled: "A BILL FOR AN ACT RELATING TO FUNDING FOR PARKING FOR DISABLED PERSONS," passed Third Reading by a vote of 47 ayes to 4 noes, with Representatives Cabanilla, Fale, Fukumoto and McDermott voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 899) recommending that H.B. No. 487, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 487, HD 2 pass Third Reading, seconded by Representative Awana.

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

"Mr. Speaker, ruling on a potential conflict. My family owns and operates a farm, Mr. Speaker," and the Chair ruled, "no conflict."

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

"Same request," and the Chair ruled, "no conflict."

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

"I'd like to stand in strong support of this measure and just with brief comments. So often we hear the word 'subsidy' and kind of cringe, but in this case I think it's extremely necessary to continue because I know personally the number one cost on our farm is feed. Above wages, above electricity, above water, feed is the number one cost and currently there is no feed producer here in Hawaii. So, until we're able to produce feed here locally, whether it's the traditional feed with corn or have alternatives with either alfalfa or the Black Soldier Fly larvae, there are so many other things we can do but until that point we really need to subsidize the farms that have livestock.

"Just a brief comment also, in the 1980's there were 21 egg farms here in Hawaii. We are now reduced to four today, four commercial farms, with all of us stating our number one cost is feed. So, in order to continue these agricultural farms and just to make a real difference in self sustainability, I think this is something we need to continue to support. Thank you."

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

"Thank you, Mr. Speaker. I rise in strong support. Like the previous speaker, I think this is very important to support. The last remaining four or five egg farms on this island, one is in my particular district. I hope we can find the means to support them. I think it's about \$3 million a year, so if we can get \$6 million set aside just to provide this subsidy, that would be good. It's very important if we want to look towards food security, food sustainability off of our own local farmers. Thank you."

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

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

Representative Awana's written remarks are as follows:

"Mr. Speaker, I rise in support. HB 487 HD 2 is a measure that moves our state in the direction of looking into solutions to assist our farming community. This bill if passed will help many in my community who struggle to pay for feed costs which continue to escalate. As we know, one of the highest costs to farmers is feed for animals as there are no production facilities in Hawaii. For these reasons, I rise in support."

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

"Thank you, Mr. Speaker. In strong support and just a few brief comments. When I go to my local farmers market and I talk to the vendors, this is one of the biggest problems that they mention as a challenge for them. So, I really appreciate the authors and the Committees that worked on 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. 487, HD 2, entitled: "A BILL

FOR AN ACT RELATING TO AGRICULTURE," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 901) recommending that H.B. No. 1208, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1208, HD 2 pass Third Reading, seconded by Representative Awana.

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

Representative Fale's written remarks are as follows:

"Mr. Speaker, I rise in opposition of House Bill 1208, HD 2. This measure 'requires the Department of Human Services to gather data and recommend fees for licensure and certification of certain programs transferred to the Department of Health. Requires Department of Human Services to report findings and fee recommendations to the Legislature no later than twenty days prior to 2014 Regular Session.'

"Loretta J. Fuddy, State of Hawaii Director of Health testified that, 'This bill would require DHS to determine certification or licensure fees on community care foster family homes, case management agencies, and adult day care centers prior to the transfer of these programs to DOH. DOH will defer to DHS on this portion of the bill. However, the bill also would require DOH to accept those fees. The DOH strongly opposes this portion of the bill as unnecessary since the DOH can determine its own licensure fee schedule prior to the transition and without being mandated to accept the fee schedule of another state agency.'

"Patricia McManaman, State of Hawaii Director of Department of Human Services testified that, 'The DHS should not be statutorily required to set the fee schedules for programs that are the responsibility of another department.'

"Mr. Speaker, for these reasons I rise in opposition of House Bill 1208, HD 2."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1208, HD 2, entitled: "A BILL FOR AN ACT RELATING TO CERTIFICATION AND LICENSURE FEES," passed Third Reading by a vote of 49 ayes to 2 noes, with Representatives Fale and McDermott voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 902) recommending that H.B. No. 114, HD 2, as amended in HD 3, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 114, HD 3 pass Third Reading, seconded by Representative Awana.

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

"Mr. Speaker, in strong support. Thank you."

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

"Thanks, Mr. Speaker. In strong support. I would just like to enter written comments into the Journal. Thank you very much."

Representative McKelvey's written remarks are as follows:

"The recent Stevie Wonder fiasco garnered not only local attention but national attention as well. When the Western Association of Schools and Colleges, the agency that accredits the University of Hawaii, deems it necessary to come down and specifically look at the events that surrounded the concert and what actions and policies allowed this to happen, our local residents many of whom are alumni showed their concern. We as

legislators were reminded through numerous constituent calls and emails that the transparent management of public funds appropriated by the legislature and expended by the University of Hawaii is a matter of statewide concern and therefore under the legislature's purview pursuant to Article X, Section 6, of the Hawaii State Constitution.

"UH officials and attorneys withheld information from the public regarding the incident only increasing our constituents' concern. I feel that an independent audit committee within the Board of Regents of the University to assist the board in discharging its constitutional powers and duties is a fiscally prudent measure with respect to the university."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 114, HD 3, entitled: "A BILL FOR AN ACT RELATING TO HIGHER EDUCATION," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 903) recommending that H.B. No. 385, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 385, HD 2 pass Third Reading, seconded by Representative Awana.

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 385, HD 2, entitled: "A BILL FOR AN ACT RELATING TO HUMAN SERVICES," passed Third Reading by a vote of 49 ayes to 2 noes, with Representatives Har and Ito voting no.

At 4:54 o'clock p.m., Representative Hashem requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 4:55 o'clock p.m.

At 4:57 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 482, HD 1
H.B. No. 101, HD 1
H.B. No. 892, HD 2
H.B. No. 487, HD 2
H.B. No. 1208, HD 2
H.B. No. 114, HD 3
H.B. No. 385, HD 2

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 904) recommending that H.B. No. 856, HD 2 pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 856, HD 2 pass Third Reading, seconded by Representative Awana.

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

Representative Lowen's written remarks are as follows:

"Mr. Speaker, I rise in strong support of House Bill 856, House Draft 2, which would establish a green financing program. The up-front cost of renewable energy systems and energy efficiency measures is the largest barrier to their widespread adoption. This measure will create the green infrastructure the state needs to implement an on-bill financing program, which will eliminate the need for families to come up with a large up-front payment and will make renewable energy systems and energy efficiency

measures available to renters, low- and middle-income families, and small businesses.

"This measure will not only benefit our residents, it will further the State's goals of transitioning to locally-produced renewable energy. It will also bring us closer to our energy efficiency goals both by supporting distributed generation, which is more efficient as less electricity is lost in distribution, and by helping to fund energy efficiency measures.

"I urge the Members to support this measure."

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

Representative Johanson's written remarks are as follows:

"Mr. Speaker, I rise with reservations on HB 856. The bill creates a mechanism to provide low-cost loans for green infrastructure equipment to achieve measurable cost savings and achieve Hawaii's clean energy goals. While ensuring that Hawaii has an abundant stream of clean energy is a critical goal, I worry about the financing mechanisms of this bill. In particular, I am concerned that the cost of the loans will be placed on all energy consumers, which places a significant burden on those who are already struggling to pay for energy costs. While green energy may hold the key to our energy future, we should let consumers lead the movement in a way that does not create additional cost of living burdens."

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

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

Representative Fale's written remarks are as follows:

"Mr. Speaker, I rise in opposition of House Bill 856, HD 2. This bill establishes a regulatory financing structure that authorizes the Public Utilities Commission and the Department of Business, Economic Development, and Tourism to provide low-cost loans for green infrastructure equipment to achieve measurable cost savings and achieve Hawaii's clean energy goals.

"Mr. Speaker, my concern is that this bill is not clear on what the Green Infrastructure Fee is used for. Also on the bill's overall objectives.

"The Hawaii Renewable Energy Alliance submitted the following testimony concerning this bill, that '1) Clearly, this measure supports attainment of our State's clean energy goals, and specifically offers the opportunity for funding to assist such activities as the On-Bill Financing Program, which is under consideration in the Public Utility Commission's Docket No. 2011-0186. 2) It is not clear to us whether the intent is ONLY to assist any On-Bill programs approved by the Commission. For example: a) would DBEDT consider issuing RFPs to procure clean energy technologies and provide loans to the winning bidder, and b) the apparent proposal for DBEDT to 'make' money for the state from the loans. If so, how would the profits be used? 3) It is not clear if the proposed green infrastructure fee ('GIF') would be a separate fee, or become part of the fee. Either way what would the GIF be used?"

"Mr. Speaker, for these reasons, I rise in opposition of House Bill 856 HD 2."

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

"In support. I like this idea of creating this bank-like principal to support the funding of photovoltaic and solar systems on private businesses and enterprises. Thank you."

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

Representative Woodson's written remarks are as follows:

"I wholeheartedly support the effort to achieve Hawaii's green energy goals.

"This measure allows residents the opportunity to install a photovoltaic system to immediately achieve cost savings using clean energy. The significant initial investment associated with installation can be a prohibiting factor. This bill to provide low-cost loans for green infrastructure equipment will incentivize many to help lower their electric bills while supporting the State's energy goals of self-sufficiency.

"I commend the PUC and DBEDT and various other agencies in their collaborative effort in participating to establish a regulatory financing structure to effectively implement clean energy technology and infrastructure by providing a means those who would not be able to otherwise afford it.

"This bill helps to reduce Hawaii's dependence on imported fossil fuel and achieve our goals toward energy efficiency. This is a crucially important measure with significant positive effects and potential not yet realized."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 856, HD 2, entitled: "A BILL FOR AN ACT RELATING TO GREEN INFRASTRUCTURE," passed Third Reading by a vote of 49 ayes to 2 noes, with Representatives Fale and McDermott voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 905) recommending that H.B. No. 668, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 668, HD 2 pass Third Reading, seconded by Representative Awana.

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

"Thank you, in support with written comments. Just a brief thank you to the Chair of Public Safety who helped our Health Committee on working this bill and moving it forward. Thank you."

Representative Belatti's written remarks are as follows:

"I rise in support of House Bill 668, House Draft 2 that transfers the State's Medical Use of Marijuana Program from the Department of Public Safety to the Department of Health. As noted in the testimony of the Department of Public Safety in support of this measure, the primary focus of the State's Medical Use of Marijuana Program should be on the health of the qualifying patients and the Department of Health is better suited for managing such a program."

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

"Thank you, Mr. Chair. I rise with reservations. I'd like to thank the Chair of Health for working on this issue, but I know there's still some testimony that people had some concerns about, and for those reasons, I rise with reservations. 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. 668, HD 2, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," passed Third Reading by a vote of 48 ayes to 3 noes, with Representatives Fale, Ito and Ward voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 907) recommending that H.B. No. 1147, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 1147, HD 2, entitled: "A BILL FOR AN ACT RELATING TO CAMPAIGN SPENDING," passed Third Reading by a vote of 51 ayes.

Representative Belatti, for the Committee on Health, presented a report (Stand. Com. Rep. No. 908) recommending that H.B. No. 903, HD 1, as amended in HD 2, pass Third Reading.

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

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 914) recommending that H.B. No. 21, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 21, HD 2 pass Third Reading, seconded by Representative Awana.

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

"Mr. Speaker, ruling on a potential conflict. At my law firm I represent condo and community associations. Thank you," and the Chair ruled, "no conflict."

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

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

"Mr. Speaker, I just request a ruling on a possible conflict. I'm a member of a condo association. Thank you," and the Chair ruled, "no conflict."

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

"Same request, ruling of potential conflict," and the Chair ruled, "no conflict."

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

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

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

Representative Har's written remarks are as follows:

"Mr. Speaker, I rise in opposition to House Bill 21, House Draft 2, Relating to Condominiums. This bill proposes the authorization of condominium associations to collect specified amounts for deposit into a reserve account to pay for unpaid common assessments in the event of foreclosure, or unit sale or transfer. I oppose this bill for three reasons.

"I do commend the Chair of the Consumer Protection Committee and Chair of the Judiciary Committee for their out-of-the-box attempt to address the issue of unpaid assessments on foreclosed properties but ultimately, there are still areas that need clarification.

"First, this bill lacks specific language about the details of a reserve account collection. How would it work? Who would run the program?

"Second, the bill does not address what would happen to the reserve account in the event that the occupant remains in the condo indefinitely. Is there a certain time limit in which the reserve account would be refunded? Many people purchase condominiums not for investment value but as a permanent residence.

"Finally, HB 21 would increase costs for all condo owners by creating an individual reserve account in which the apartment owner would pay up to 10% of their regular monthly common assessment on top of a mortgage payment and regular monthly common assessment fees. This amount would be collected monthly until the total amount is equal to the total of

regular monthly common assessments for a twelve-month period. If additional monies are collected for maintenance fees in the event of foreclosure, it would add additional costs for condo owners.

"As a result, I stand in opposition to House Bill 21, House Draft 2. 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. 21, HD 2, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUMS," passed Third Reading by a vote of 48 ayes to 3 noes, with Representatives Fale, Har and McDermott voting no.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 915) recommending that H.B. No. 910, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 910, HD 2 pass Third Reading, seconded by Representative Awana.

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

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

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

Representative Har's written remarks are as follows:

"Mr. Speaker, I rise in opposition to House Bill 910, House Draft 2, Relating to Forensic Mental Health. This bill proposes to toll the conditional release for criminal charges following an acquittal for physical or mental disease. I oppose this bill for two reasons.

"First, under HRS 704-411 (b), when the court places a defendant on conditional release, there is already a one-year limit in place for those charged with a petty misdemeanor, misdemeanor, or violation. As a result, when a defendant is placed under conditional release, the one-year time limit is already in place.

"Second, the bill proposes conditional release for the defendant who is physically or mentally ill and as a result, presents a danger to self and others. Those who present a danger to not only themselves and society should be kept under conditional release for as long as needed. Instead of proposing a blanket conditional release for physically or mentally ill defendants, it should be considered on a case by case basis. This will ensure that the defendant will 'receive proper care, supervision, and treatment as needed, rather than being discharged based on an arbitrary termination date' as stated in the testimony of the Department of the Prosecuting Attorney, Maui. It is the responsibility of the Department of Health to closely monitor physically and mentally ill defendants and ensure full rehabilitation before conditional release is revoked.

"For these two reasons, I oppose House Bill 910, House Draft 2. 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. 910, HD 2, entitled: "A BILL FOR AN ACT RELATING TO FORENSIC MENTAL HEALTH," passed Third Reading by a vote of 48 ayes to 3 noes, with Representatives Fale, Har and Ito voting no.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 916) recommending that H.B. No. 667, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 667, HD 2 pass Third Reading, seconded by Representative Awana.

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

"Ruling on a possible conflict. The physicians are the one's dispensing and both my wife and daughter are physicians," and the Chair ruled, "no conflict."

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

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

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

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

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

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

Representative Belatti's written remarks are as follows:

"I rise in support of House Bill 667, House Draft 2 that makes amendments to the State's Medical Use of Marijuana Law addressing the concerns of patients in the program and embodying recommendations by the Medical Cannabis Working Group that was convened in 2009. This Working Group examined state statutes, administrative rules, and county policies and procedures relating to the medical marijuana program. The Working Group also studied Hawaii's medical marijuana program with other states' medical marijuana programs.

"Key amendments in this bill include: (i) changing the authorized number of a patient's marijuana plants from 4 immature and 3 mature to 7 plants total, irregardless of the stage of growth of the plants; (ii) increasing the authorized amount of usable marijuana from 3 ounces to 5 ounces; and (iii) changing the patient to caregiver ratio from one patient per caregiver to three patients per caregiver.

"In the hearing before the Judiciary committee, the first of these changes was verbally supported by the Deputy Director of the Department of Public Safety as it is difficult in enforcing the current law of determining whether plants are immature versus mature.

"The change in the authorized amount of usable marijuana from 3 ounces to 5 ounces was supported by testimony from patients before the Health and Judiciary Committees that 3 ounces is currently not sufficient for their needs in that more medicine is actually used in vaporizing or in the preparing of edibles which are safer and preferable to the smoking of medical cannabis.

"Finally, the change in patient to caregiver ratio is based upon the recognition and testimony that patients may not be able to successfully grow their own medicine and having a system that allows qualified caregivers to help patients provides a safer method of acquiring medication rather than having to resort to other means."

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

"Mr. Speaker, I rise with reservations. My reservations are as follows. When I read through this bill last night I wasn't sure if this was decriminalization or legalization or just another way maybe for us to earn some revenue. But anyway, let me kind of explain what's going on in this bill just so you folks know.

"Most states authorize the use of about 3 ounces or less of dried marijuana. One mature marijuana plant can produce up to one pound of dried marijuana per growing season. With two growing seasons in Hawaii,

let's say 6 months, one mature plant can produce two pounds per year. So, two pounds of 'pot' per year from one marijuana plant.

"This bill will allow 10 marijuana plants and 5 ounces of usable marijuana at any given time. So, if you get the prescription from the doctor under the program you can have 10 marijuana plants and 5 ounces of usable marijuana at any given time. 10 plants can produce 20 pounds of marijuana in a year or the equivalent of 320 ounces per year. 5 ounces of marijuana is equivalent to 189 cigarettes, also known as 'joints'. The 20 pounds of marijuana is equivalent of 12,096 cigarettes per year, or more than 33 marijuana cigarettes per day. That's a lot of joints.

"According to the DEA, the effect of one smoked marijuana joint could be felt for up to 4 hours. Up to 4 hours, one joint. So in a 24-hour period, assuming that one might get 8 hours of rest, it's logical to assume the medicinal marijuana patient could ingest 4 marijuana joints per day to adequately feel the effects. That's good, that's the purpose of medical marijuana. This equates to 1,460 joints or cigarettes per year. But if a patient only needs 1,460 cigarettes per year, what happens to the remaining 10,636 cigarettes or joints that can be produced from the 10 plants? That's 12,096 joints minus 1,460 joints, 10,636 joints. So, isn't it reasonable to assume that at least a portion of this would be, Number one, maybe sold, number two, given away, or number three, consumed.

"The 10,636 cigarettes in excess is equivalent to more than 281 ounces of marijuana. If this is sold at the going rate of \$320 per ounce, that's the current going rate for marijuana, the crop would be worth more than \$89,000 per year. And that's with keeping enough for the patient to smoke 4 cigarettes or joints per day. As this bill moves forward I think we should think about ways of capturing some of the revenue that may be gained from this bill. Thank you."

Representative Belatti rose to respond, stating:

"Mr. Speaker, in support. Just a simple clarification. My clarification is just that this bill does not actually increase the number of plants to 10. It just clarifies that the 7 plants that is under current law is now not distinguishable between mature and immature, and that was a change that was actually supported by the agency that currently oversees this program. So, I just wanted to make that clarification for the record.

"I would also like to add that something that I learned, which I didn't know much about marijuana except after this session, is that for people who use medical marijuana many do not actually prefer smoking. They like to use the medical marijuana in foods as a way to get the effects better, I guess. In addition they also vaporize it. So, I believe that by those two uses and not through the smoking of joints, they actually do go through more marijuana.

"So, the 5 ounces that are being suggested in this bill actually just really brings us to kind of the middle of the road of where all of the other medical marijuana programs in the nation are at. So, thank you, Mr. Speaker."

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

"Mr. Speaker, in opposition with a brief comment. We're talking about quantity, the real issue is quality. But hear me out, this is a THC issue. When THC came on board with the 70's in Vietnam and all that, it was at about 3%. Now, with GMO and hybrids, THC, some believe that GMO is probably the best up to 30% THC in a joint. So when the gentleman from Wahiawa spoke about the quantities, if you've got a content that pushes almost one-third, you've got a really, really, really powerful drug. So, I think the quality is really an issue here and makes the quantity look like it's going off the charts. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. In support. As far as the quantity, I did some research and there's an organization called *Concept 420* and so here are some of the notes from actual patients that take the marijuana in different ways. From Dixie, who has multiple sclerosis, during the time that she was

sick she ate two cookies per day containing approximately 1 1/2 grams of leaf marijuana. From Gidget, an AIDS survivor, she took a small bong hit of approximately 1/10 of a gram, held it in deeply for about 5 seconds, it took about 10 minutes to work and lasted about 1 1/2 hours. For a patient that had arthritis, they ate one brownie per day containing 2 grams each of high-grade leaf marijuana. I'm in support, but that's a lot of medicine we're giving them."

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

"Thank you, Mr. Speaker. In support with some slight reservations. I just want to touch upon the speaker from Wahiawa in the revenue aspect of this measure of the billion dollars of estimated lost GET that occurs in the State of Hawaii. Also, especially the point of the provision that allows visitors who are here for under 30 days to have access to it free, that's another huge revenue issue. We're supplying other state's patients with their medicine. Thank you very much."

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

Representative Fukumoto rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered." [Note: Representative Fukumoto's vote was later recoded as a no vote.]

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

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

"In opposition, Mr. Speaker. In hearing some of the comments that were spoken about earlier, the Representative from Hawaii Kai is absolutely right, it is a THC issue. So is the former Chair of Finance, he's absolutely right, because I think the point is with the THC, with some of the people who are paying the TAT, we can generate more revenue. But that is not contained in this bill, and when it is then I'll support it. Thank you, Mr. Speaker."

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

Representative Cheape rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered." [Note: Representative Cheape's vote was later recoded as a no vote.]

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

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 667, HD 2, entitled: "A BILL FOR AN ACT RELATING TO MEDICAL MARIJUANA," passed Third Reading by a vote of 35 ayes to 16 noes, with Representatives Aquino, Cabanilla, Cheape, Choy, Cullen, Fale, Fukumoto, Hashem, Ichiyama, Ito, Say, Tokioka, Tsuji, Ward, Yamane and Yamashita voting no.

At 5:15 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 856, HD 2
H.B. No. 668, HD 2
H.B. No. 1147, HD 2
H.B. No. 21, HD 2
H.B. No. 910, HD 2
H.B. No. 667, HD 2

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 917) recommending that H.B. No. 411, HD 1, as amended in HD 2, pass Third Reading.

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

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 918) recommending that H.B. No. 1268, as amended in HD 1, pass Third Reading.

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

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 919) recommending that H.B. No. 1324, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 1324, HD 2, entitled: "A BILL FOR AN ACT RELATING TO MOPEDS," passed Third Reading by a vote of 49 ayes to 2 noes, with Representatives Cabanilla and Fale voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 921) recommending that H.B. No. 497, HD 2, as amended in HD 3, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 497, HD 3 pass Third Reading, seconded by Representative Awana.

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

"May I have a ruling on a potential conflict. My spouse is a consultant to a firm that produces solar power. Thank you," and the Chair ruled, "no conflict."

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

"Mr. Speaker, ruling on a potential conflict. My wife has a number of companies from the solar industry as clients," and the Chair ruled, "no conflict."

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

"Mr. Speaker, please note my reservations and a comment please. In a testimony submitted on this particular measure, DOTAX says this would cost us \$38 million in the year 2014, \$15 million in year 2015, and \$19 million in 2016. Those are some of my major concerns on the loss of those revenues. Thank you, Mr. Speaker."

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

"Mr. Speaker, with reservations with written comments. And a comment that this is an industry that we're really trying to promote here in the State of Hawaii."

Representative Fale's written remarks are as follows:

"Mr. Speaker, I rise with reservations on House Bill 497, HD 3. This bill amends the tax credit for renewable energy technologies.

"Mr. Speaker, my concern is that this bill will annually reduce tax credit for solar energy systems by 5%.

"The Tax Foundation of Hawaii submitted the following testimony concerning the bill:

"This measure would reduce the amount of credit for solar electricity generating systems that are not utility scale systems from 35% to 30% for systems placed in service for the 2014 tax year; 25% for the 2015 tax year; 20% for the 2016 tax year and thereafter. Although this slow weaning of the taxpaying public from its dependence on the tax incentive may sound like a great idea, it ignores the phenomenon that occurred this past year when taxpayers were given notice that there would be new rules for the ball game beginning with the first of the year. Instead, consideration should be given to setting the tax incentive rate at a more modest level and then warning taxpayers that it will disappear in three or five years. This will help to even out the demand for installations as taxpayers assess the cost benefit of installing such devices."

"Mr. Speaker, for these reasons, I rise with reservations on House Bill 497, HD 3."

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

"Thank you, Mr. Speaker. On Standing Committee Report 921, Relating to Renewable Energy, with reservations and I just wanted to explain those. Thank you. I believe that we should not go below 25% for the tax credit. People are stretching now to try to do it and when we lower the tax credit below something that's going to let the mainstream of the residents go ahead and put in photovoltaic, then we are going to defeat our goal of moving ahead to get off of dependency on fossil fuels.

"So, while I understand the need for reducing the amount of the tax credit, I think we should go down a bit, but then leave it at 25% and not even put a sunset on that. Let future legislatures address that 5, 10 years out and then I think we will find a lot more renewable energy on our rooftops and a lot less polluting fossil fuels being imported into Hawaii. Thank you."

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

"Mr. Speaker, with reservations. Almost a no vote. I totally agree with my colleague from Kailua that if we disincentive this, people are going to turn away, it's going to be up to millionaires or those who have such a commitment they're going to go in debt to go green. I've said on this Floor numerous, numerous times, the electricity we have here has 1% PV. Even though it's going gang-busters, still 1%. This is an industry that's not even a baby yet, it's a zygote. This is something where if we too quickly ramp it down it's going to kill it.

"Another case in point, Mr. Speaker. For the last 30 years we've had incentives to put solar water heaters. What percent of the people have actually taken advantage of this generous tax credits? 27 to 29% have solar water heaters. So, even with these incentives it's not happening.

"Getting off of that \$6 billion fossil fuels is going to take time, it's going to take money. If we penny-wise and pound-foolish it, we're going to say, well we tried by we couldn't do it because we had other priorities. I don't think there's a bigger priority than getting off of Middle Eastern oil and other places. This is one of those cutting-edge bills which I agree with my colleague, let's not go below 25% and this bill does do that. Thank you."

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

"Thank you, Mr. Speaker. I'm speaking in support with reservations. First of all, let me thank the Chair of the Energy and Environmental Protection Committee for moving this bill forward and for even considering that we need to adjust the current tax giveaway to the photovoltaic companies and installers. I think it's good that they're willing to even look at this. Several months ago I think we wouldn't even be considering even looking at the current tax rate structure.

"My concern again is on the fiscal element of this measure, how much and when. It remains to be seen how it affects the financial plan. But I am

encouraged by the fact that we have this bill before us to even consider moderating the current expenditure. Thank you."

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

"Thank you, Mr. Speaker. In support and I'd just to note that when this came over to CPC the solar industry did support it because, one, it was predictable, two, it was a compromise, and three, when you look at the big picture with green infrastructure and on-bill financing ramping up while this tax credit ramps down, things seem to balance out in the long run. Right now the way the solar tax credit works is the people that cannot afford to put PV on their roofs are subsidizing everybody else that can afford to. With on-bill financing and green infrastructure it's much more equitable. Thank you, Mr. Speaker."

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

"Potential conflict. I'm a partner in a solar project," and the Chair ruled, "no conflict."

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

"Mr. Speaker, I have reservations about this bill. For one thing, it came out in the Finance Committee that when I asked the PUC Chair how much is a large scale solar project coming in at, she quoted 17 cents a kilowatt hour. Hawaiian electric produces electricity from oil, from oil now, at 26 cents a kilowatt hour. We need to look at the subsidies, if it's really necessary. Because right now it's cheaper to produce energy from solar projects without the credit than it is to produce electricity from oil. That's all, Mr. Speaker."

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

"May I have a ruling on a potential conflict. My husband owns a solar company," and the Chair ruled, "no conflict."

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

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

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

"Thank you, in support. 26% of all construction permits this past year have been for solar construction. It is the driver in our industry, especially at a time when our economy is in a very fragile state of recovery. The credit itself is being estimated to contribute more than \$2 to the economy for every \$1 that we've invested in. Quite frankly, today it saves countless of millions of dollars for homeowners across the State. Right now the industry is at a pretty critical turning point, where the solar tax credit which has previously been within the realm of the wealthy has become affordable to those folks in the middle class and even some in the lower class.

"The greatest areas of solar adoption, the greatest areas of growth in that industry have not been in areas like Kahala or Kailua for example, but other areas that tend to be demographically more of a middle ground. What we don't want to do is cut off the legs for this industry right now at this point where it's becoming more of a mass medium of adoption for folks who can really truly save energy and for whom it's going to count so much more.

"This bill is going to provide certainty to the industry, it's going to ramp down over time as the cost of solar continues to drop and we're going to have a study in 2017, some years out, that will gauge the metrics of everything that's come to pass, how effective it is and whether or not at that point a future legislature will continue it. It's a balance, a necessary solution to keep us on a path towards renewable energy and keep

construction jobs going, reduce cost for homeowners and maintain at the end of the day a fiscally sound budget. Thank you very much."

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

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

Representative Johanson's written remarks are as follows:

"Mr. Speaker, I rise with reservations on HB 497, HD 3. This bill would amend the tax credit for renewable energy technologies in a way designed to stimulate production and usage of clean energy. I will be supporting this bill, because the renewable energy industry is of vital importance to Hawaii's future. The expansion of renewable energy production and consumption is a necessary step in securing Hawaii's economic stability. However, I do believe that the support of the industry ought to be done in a fiscally responsible way, thus I am rising in support, but with reservations."

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

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

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

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

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 497, HD 3, entitled: "A BILL FOR AN ACT RELATING TO RENEWABLE ENERGY," passed Third Reading by a vote of 48 ayes to 3 noes, with Representatives Coffman, McDermott and Ward voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 922) recommending that H.B. No. 1459, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1459, HD 2 pass Third Reading, seconded by Representative Awana.

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

Representative Say's written remarks are as follows:

"Mr. Speaker, I would like to state my opposition to H.B. 1459, HD 2, Relating to Insurance. The purpose of the bill is to more effectively manage the administration and financing of the current and potential future employee health benefit obligations of the state and county governments by creating the Hawaii Employer Union Health Benefit Trust Fund Captive Insurance Company ('CAPTIVE') as a reciprocal captive insurance company under Article 19, Chapter 431 of the Hawaii Revised Statutes ('HRS') ('Article 10').

"My concerns in opposition to this measure is that CAPTIVE is being formed without a feasibility study, and the bill provisions may be contrary to the regulatory requirements applicable to captive insurance companies. Outlined are the questionable issues to the legislative measure: 1) NO FEASIBILITY STUDY DONE; 2) THE CAPTIVE'S

ORGANIZATIONAL STRUCTURE; 3) ARTICLE 19 COMPLIANCE; 4) THE EXEMPTION FROM TAXES AND FEES; and 5) APPLICATION OF ARTICLE 15 OF THE INSURANCE CODE.

"Due to my five concerns listed above, I will be voting No. I would hope that as H.B. 1459, HD 2 progresses to the Senate, changes will be made to address these concerns.

"A VOICE OF REASON."

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

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

Representative Fale's written remarks are as follows:

"Mr. Speaker, I rise in opposition of House Bill 1459, HD 2. This bill 'calls for the formation and implementation of a captive insurance facility to effectively manage the administration and financing of the current and potential future employee benefit obligations of the state and county governments.'

"Aaron Fujioka, Administrator from the State Procurement Office submitted testimony stating that the, 'public procurement's primary objective is to provide everyone equal opportunity to compete for government contracts, to prevent favoritism, collusion or fraud in awarding of contracts. To legislate that any one entity should be exempt from compliance with HRS chapter 103D conveys a sense of disproportionate equality in the law's application.'

"Mr. Speaker, this measure would set up a new government entity to compete in the free market with advantages written into statute. I do not believe that the role of government is to be setting up a new 'captive insurance company'; by doing so, the government is picking winners and losers in the private sector.

"Mr. Speaker, for these reasons I rise in opposition of House Bill 1459, HD 2."

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

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

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

"Mr. Speaker, with reservations, which will turn into an 'aye' vote when a feasibility study is done. When government gets into business it should do that as DCCA so indicated in their testimony. Thank you."

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

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

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

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

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

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

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

"I strongly support this bill and I have written comments to insert in the Journal, in the interest of time. Thank you."

Representative Cachola's written remarks are as follows:

"I am speaking in strong support of H.B. 1459 HD 2, otherwise known as the HULA plan. This bill is a vehicle to effectively slow down, stabilize, and reduce Hawaii's health unfunded liabilities. It contains strategies for the State of Hawaii to save taxpayers money and find a solution for our health unfunded liabilities. I am very confident that H.B. 1459 HD 2 has the plan to solve one of Hawaii's biggest problems. Understanding the problems and strategies in solving the health unfunded liabilities are crucial. Added to my remarks are my research, findings, and proposed solution to our health unfunded liabilities. I once again, urge all the Members of this House to Support H.B. 1459 HD 2."

Representative Cachola also submitted the following:

"Understanding the Problem of Unfunded Liabilities

"Funding on health benefits as of 2011 was between \$15-17 billion, with 13.8 billion for the state and the rest to the all other employers. The rest of the employers include the 4 counties, HART, and the board of water supply. About \$500 million per year is needed for the next 30 years to catch up with the unfunded liability. For 2012-13 our health unfunded liabilities are estimated to roughly be \$18 billion.

"Unless we do something, Hawaii's unfunded liabilities will continue to grow over \$1 billion yearly. In 2001, yearly premium contributions by employees and employers for health benefits were under \$218 million to current day approximation of \$800 million.

"Unfunded liabilities affects Hawaii's bond rating. Pew, Barron's, and the Institute for Truth in Accounting are independent non-profit organizations who analyze current problems in the nation and offer solutions.

"The PEW report said Hawaii is the 10th worst in the nation for funding of liabilities. Examples of states worse than us are California and Illinois. Hawaii received Pew's worst rating with the organization reporting Hawaii's management of its long-term liabilities for pensions and retiree health care is "cause for serious concern."

"According to the Institute for Truth in Accounting, Hawaii came in third worst in terms of its financial obligation and for the second year in a row was named one of five "sinkhole states". "Sinkhole states" refers to the amount of money owed by each resident in Hawaii, which each resident owes an average of \$32,700. Sheila Weinberg, CEO and founder of the Institute for Truth in Accounting said that "Hawaii would need to layoff all employees for 8 years and put all that money into the state healthcare system to catch up to the total debt owed."

"Barron's Report stated "The bottom-ranked states are Connecticut, Illinois, Hawaii and Kentucky." To improve Hawaii's credit rating, a 0.5% reduction on our rate will create a lot of savings to the state and any employer floating bonds. It will make Hawaii's bond floating more attractive.

"Possible Solutions

"The easiest way to solve Hawaii's unfunded liabilities would be to raise the GE Tax by about 1%. This will cover about \$500 million per year in contributions to the fund for the next 30 years. This is something that the bill does not propose and would have taxpayers crying foul and would not support this in any way.

"Hawaii could also lay off employees or cut back on benefits that it has already promised to employees. Once again, this is not something H.B. 1459 H.D. 2 proposes and it is our obligation to attempt to keep the same benefits because that is what we have already agreed to. We must find creative and innovative solutions to this problem.

"The strategy of H.B. 1459 H.D. 2 is to slow down, stabilize, reduce and finally fully fund Hawaii's unfunded health benefits liabilities. Hawaii must also improve our Bond outlook and gain back the investing public's trust. Based on this strategy, H.B. 1459 H.D. 2 proposes to create a Captive Insurance Company within the EUTF, only for government employees. This new entity will be called the Employer-Union Health Benefits Trust Fund Captive Insurance Company. The Board of the EUTF will remain the same except one seat will be allotted to represent the 4 counties.

"This new captive insurance company will create two separate funds. The first, Premium Funds, will be a place holder for employer-employee health care premiums. Contributions of employees and employers equated to nearly \$760 million in 2011. Currently, it is over \$800 million due to yearly increases in health care premiums by the insurers.

"The second, Reserve Funds, will be composed of two parts. First is contributions to Pre-Fund of UL OPEB and Health UL Contributions. For starters, H.B. 1459 H.D. 2 proposes to put 10% of the \$15 billion unfunded health benefits liability into the fund. This amount would be roughly \$1.5 billion. Counties have already contributed around \$300 million and the state has contributed \$0. The time period for this amount to be reached would be 5 years. The amount contributed to the reserve by employers will be based on the number of employees that each employer currently has. The state has around 75% of the employers and would be obligated to contribute 75% of the \$1.5 billion. The rest of the employers would have the remaining 25% to contribute. Counties and other employers, besides the state, have already made contributions in the amount of \$300 million which will be credited to those employers who made the contribution. It is a mandate that contributions must be made annually.

"The second part, Captive Insurance Reserves, would be created to set up an emergency plan in case health care costs were insufficient from the premium reserve. If this were to occur this fund would cover those costs and then the individual employers would be billed for the amount that they would owe based on the percentage of employees they represent.

"All these premium and reserve funds cannot be raided or appropriated for any other purpose.

"Advantages in Creating a Captive Insurance Company"

"The following advantages all came from a 2001 report by the State of Hawaii Insurance Division within the Department of Commerce and Consumer Affairs.

"Reduces operating costs. This can save anywhere from 5% to 25% on operating costs. Based on the latest premium contribution of nearly \$760 million a 5% savings would equate to \$37,950,000 and 25% would equate to \$189,750,000.

"Direct Reinsurer Access. Typical insurers can only approach the wholesale market if they own in an insurance company. A captive is a licensed insurer that has the ability to deal directly based on wholesale price with reinsurers and provide the opportunity to:

- (1) Eliminate or reduce the cost of commissions paid to reinsurance intermediaries.
- (2) Secure prices that directly relate to the State's own exposures and loss record rather than those of the marketplace.
- (3) Access new risk financing mechanisms.

"Enhanced Risk Management and Accountability. The ability to select an optimal amount of risk that will be insured rather than one that is imposed by an insurer. It would facilitate equitable allocation of insurance and claim settlement costs among various divisions and agencies of the state, and increased visibility and enhanced appreciation of the risk management function within the State.

"Investment Return. Captive provides the opportunity for the state to earn investment income on loss reserves rather than allowing it to be earned by conventional insurance carriers. Underwriting profit is generated when the loss reserve set aside to pay for losses is more than is ultimately needed to settle the claim.

"These are only a few of the benefits that were listed in the 2001 report.

"In conclusion, H.B. 1459 H.D. 2 is not a perfect bill and still remains a work in progress. As we move along this bill will have the opportunity to adapt and find ways to improve. Survival and taking control of our destiny is the overriding purpose of H.B. 1459 H.D. 2. The financial viability and future of Hawaii is at stake. We need the understanding, encouragement, and support of everyone, including the public and private sector, for us to solve unfunded liabilities. We must all, therefore, work together, especially employee unions and employers, in order to solve this grave issue. This is a problem that has the potential to bankrupt, on paper, the State of Hawaii if not solved."

Representative Cachola also submitted the following:

HAWAII'S HEALTH BENEFITS UNFUNDED LIABILITIES

FINDING A SOLUTION

H.B. 1459 H.D. 2

Understanding the Problem of Unfunded Liabilities?

- In 2011, Hawaii's unfunded health care liabilities were between \$15-17 billion. In 2012-2013, it is estimated to be \$16-18 billion.
 - \$13.8 billion is owed by the State and \$2.9 billion for the rest of the employers.
 - Healthcare premiums rose from \$218 million in 2001 to \$760 million in 2011. In 2012-2013, it is estimated to be about \$800 million.
- Unless we do something, Hawaii's unfunded health benefits liabilities will continue to increase over \$1 billion annually.
- Required by GASB 43 and 45 to disclose unfunded liabilities
- Unfunded liabilities affects Hawaii's bond outlook.
- It has the potential, on paper, to bankrupt the State of Hawaii.

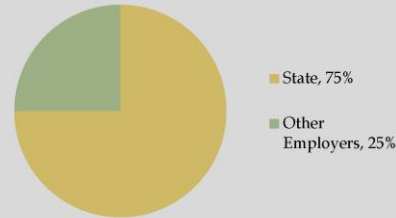
Possible Solutions

- ❑ Easiest way to solve Hawaii’s unfunded health benefits liabilities would be to raise the GET by 1%.
- ❑ Hawaii could also choose to lay-off employees.
- ❑ Hawaii could try to cut back on employee benefits that it has already promised.
- ❑ All of these options however, are not proposed under H.B. 1459 H.D. 2.

Breakdown of Employees

	STATE	C&C Honolulu	Maui County	Hawaii County	Kauai County	Honolulu BWS	Hawaii BWS	TOTAL
ACTIVE	38,727	6,927	2,010	1,922	975	413	139	51,113
RETIRES	30,899	6,581	1,144	1,373	711	356	89	41,353
TOTAL	69,626	13,508	3,154	3,295	1,686	769	228	92,466

Percentage of Allocation of Employees



*Spouses and dependents not included. Total number of individuals covered under the EUTF health plan is greater than 92,466.

*HART employees are not currently included, but will be.

Possible Solutions – H.B. 1459 H.D. 2

- ❑ Slow down, stabilize, reduce, and finally, fully fund Hawaii’s unfunded health benefits liabilities over time.
- ❑ Improve Hawaii’s bond outlook and gain back the investing public’s confidence. A 0.5% reduction in debt services creates about \$10-100 million in savings to the State and any employer floating bonds.
- ❑ Based on this strategy, H.B. 1459 H.D. 2 proposes to create a captive insurance company within the EUTF that only covers government employees.

Employee and Employer Premium Contributions

Required contributions	2011		
	Active Employees	Retirees	Total
Employer			
State of Hawaii	\$ 134,260,561	\$ 246,355,234	\$ 380,615,795
State of Hawaii - HSTA	27,246,171	12,083,955	39,330,126
City & County of Honolulu	40,285,371	62,811,740	103,097,111
County of Hawaii	11,402,215	13,795,387	25,197,602
County of Maui	11,989,191	10,868,475	22,857,666
County of Kauai,			
including Department of Water	5,521,342	6,814,806	12,336,148
Board of Water Supply - Honolulu	2,424,859	5,091,074	7,515,933
County of Hawaii - Department of Water	785,257	757,678	1,542,935
	233,914,967	338,578,369	572,493,336
Employee	164,654,202	1,260,594	165,914,796
	398,569,169	339,838,963	738,408,132

*In FY 2012 and FY 2013 Budgets of the Health Premium contributions rates reflect a 50-50 split in employer-employee contribution rates. This agreed upon 50-50 split, if kept, will help reduce and resolve the health unfunded liabilities.

Possible Solutions – H.B. 1459 H.D. 2

- ❑ The new captive insurance company will create two separate funds.
 1. Premium Fund
 - A. Employer and Employee contributions to the EUTF members health care. In 2011, this amount equated to roughly \$760 million.
 2. Reserve Funds
 - A. Reserves for contribution to Pre-Fund Unfunded Liabilities/OPEB Funds - The 4 Counties have already contributed about \$300 million and the State has made no contribution.
 - B. Captive Insurance reserve - Reserve that is required by law when setting up a captive insurance company.
 - i. No funds will be earmarked at this time but the reserve will be backed up by the full faith and credit of the State and employers.
- *These funds can't be raided or appropriated for any other purpose.*

Advantages in Creating a Captive Insurance Company

Based on a 2001 report from the State of Hawaii Insurance Division within the Department of Commerce and Consumer Affairs.

- ❑ Reduces operating costs. Potential of a 5-25% savings.
- ❑ Direct reinsurer access.
- ❑ Enhanced risk management and accountability.
- ❑ Retention of investment income and underwriting profits.
- ❑ These are only a few of the benefits listed in the 2001 report.

Conclusion

- ▣ H.B. 1459 H.D. 2 is not a perfect bill and remains a work in progress.
- ▣ As we move along, this bill will have the opportunity to adapt and find ways to improve.
- ▣ Survival and taking control of our destiny is the overriding goal of H.B. 1459 H.D. 2. The financial viability and future of Hawaii is at stake.
- ▣ We need the understanding, encouragement, and support of everyone in the public and private sector for us to solve Hawaii's unfunded liabilities.
- ▣ We must all therefore work together, especially employee unions and employers, in order to solve this grave issue. This is a problem that has the potential to bankrupt the state of Hawaii that also affects everyone in the public and private sector if not solved.

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1459, HD 2, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," passed Third Reading by a vote of 38 ayes to 13 noes, with Representatives Choy, Coffman, Hanohano, Har, Hashem, Ichiyama, Ito, Jordan, Kawakami, Say, Tokioka, Tsuji and Yamashita voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 923) recommending that H.B. No. 357, HD 2, as amended in HD 3, pass Third Reading.

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

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 924) recommending that H.B. No. 174, HD 2 pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 174, HD 2 pass Third Reading, seconded by Representative Awana.

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

"Thank you, Mr. Speaker. I rise in support and would like to refer to a study from 2009, Health Risks of Genetically Modified Foods. Thank you.

"I also would like to recognize the folks who came today and are here. Hawaiian citizens for GMO labeling and the Right to Know, Hawaii SEED, Seeds of Truth, Food Democracy Now, GMO Free USA, GMO Free Oahu, GMO Free Maui, GMO Free Kauai, GMO Free Moku O Keawe, Babes Against Biotech, AiKea Local 5, Hawaii Organic Farming Association, Down to Earth, Moms On a Mission, various University of Hawaii law students, *kupuna* warrior Walter Ritte and the *ohana* from Molokai, Democratic Party of Hawaii, Hawaiian Affairs Caucus of the Democratic Party of Hawaii, *mahalo* for being here.

"I'd also like to thank the Members. This has been a challenging issue and it's taken some time but I think it's a very important conversation and if you've had the chance to sit in any of the Committee hearings you know that it is a very important issue and a lot of people are very passionate.

"This bill, however, is not perfect. For one, the effective date is 2112. But it needs to move forward. Our job is not to run away from controversy, ignore or marginalize people's passionate concerns. That is why we need to move this forward. Our job is to make better policy for all of the people of Hawaii. This particular version represents a lot of compromise and I don't think there's anybody that's going to be happy with the final version or with this version. It's a compromise, that's usually what happens.

"But I want to emphasize that there are risks, health and safety risks, to human health and the environment, from GMO. And the state has a

compelling interest in labeling. I want to be clear, this not an anti-GMO bill. It's not a ban. It's the last of 8 GMO bills to survive in this House, and as Walter Ritte said in the Finance Committee, 'it is the absolute very least and minimum that we could do.'

"It's a consumers right to know so they can make their best decisions for their own health conditions. Genetic modification is a new science, about 20 years of new technology, and the concept is, how can we grow more food? We all need food and work on GMO should continue. Many believe it saved our own papaya industry from an invasive species that could have destroyed the industry if left to run its course. That is a different issue, however, than this bill. I believe, whether you like it or not, we are going to be moving towards more labeling. We must.

"I don't want to belabor the issues because if you did sit through one of those hearings you heard hours of testimony and I think there's probably over 500-pages of testimony. And from that you would have learned there are many, many reasons to label. It's not just so we have the right to know and choose what we eat. Some people have allergies, sensitivities, or for mothers, concerns about the safety of their fetus or their children. They need to be able to make informed choices to best protect their family and their health.

"Some people are also concerned about the moral, ethical, or political implications, globalization of food supply by a handful of corporations, reduction of biodiversity, disturbing implications for vegetarians, eating GMO that may be crossed with GMO from animals. As well as the major impacts on our land and pesticide use."

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

Representative Wooley continued, stating:

"Thank you. There was some opposition from some big seed companies like Monsanto who bussed in many of their employees to the Capitol last week to pressure us to vote no. Please be aware, however, that this bill does not affect those seed companies. This bill is only requiring a label on imported produce. This bill will not affect these large multi-national corporations currently selling seed products to the mainland. So, I still have questions about why they're concerned. I would like to address some of the opposition and just clarify the FDA preemption issue, in particular.

"I think that this is not a federal preemption issue and state action should not be stymied by fear of this. I have met with numerous attorneys, I met with the Deputy Attorney General who worked on this. Federal preemption occurs whenever a state law conflicts with a federal law. Under Article 6 of the US Constitution, federal law always controls in the event of a conflict. Usually preemption occurs if the state is doing less than what is required by federal law or if it imposes laws that undermine federal law.

"But there is no law requiring GMO labeling and no law forbidding GMO labeling. It's unlikely there would be any conflict that would trigger preemption if the federal government were to pass a law that could raise that issue. But, so far they have not and it doesn't look like they will in the near future.

"The opinion that the Deputy Attorney General wrote essentially identified the lack of a compelling state interest in the record. I think we've corrected that by introducing the scientific studies as he advised. I also looked at the case law on these issues. It is true that the Supreme Court, in a different circuit, not the 9th circuit, found that a consumers' curiosity about what BHT was, was not enough to show a compelling state interest. But nothing excludes the state from labeling GMO as long as there's a compelling state interest.

"There have also been challenges or concerns about the dormant commerce clause. This is easily solvable if we include our local producers. I would support that, however, I would want to make sure that if we move forward with that, we address our local farmers' concerns about the potential impact on their business, because we don't want to hurt their business. I want to make one more argument about this dormant commerce clause issue. I think we have, as Hawaii, an island state, a very compelling interest to protect our own industries, our public health and our safety, and

prevent alien species from unknowingly entering into the state and potentially devastating crops and wreaking havoc on the environment.

"I'm going to tell you a quick story that's part true and part potential future. I bought some ginger from the store, it was really good, the best. Maybe it was from China, I don't know. I was too busy, maybe too lazy to cook, so it sprouts. I throw it in my garden and then I start growing it and when it's good, I eat it and I share it with my friends. So, if my friend happens to be a farmer and he starts growing that ginger, he's going to be growing, unknowingly, GMO ginger. And the thing about that ginger is it's going to be resistant to pesticides and it can easily take over in many different areas. And then that local farmer can get sued by the major seed companies for violating their patent."

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

Representative Wooley continued, stating:

"So, I think when it comes to the State's compelling interest in protecting our industries, we have to label GMO. Another compelling interest for the state has to do with our dependency on imported food as well as energy. It's one thing to be about 90% dependent on those imports. It's quite another to be this dependent and have 8,000 miles of ocean between us and the closest land.

"On top of this, we have such a fragile and unique environment that we have become the endangered species capital, for the US and maybe the world. Largely, this is a product of the fact that we have allowed imports to come in without enough precautions. Think, the varroa mite for the bee, coqui frog, ants that keep coming in, fire ants, infected cockroaches, the list goes on.

"In short, I think it's important for us not to continue this policy that allows GMO to enter into Hawaii without anyone being aware. With that, Members, I thank you for your time."

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

"Thank you, Mr. Speaker. In support with some reservations. Mr. Speaker, I think the Ag Chair summed it up. There has been a lot of testimony about this and I do support the concept of labeling. But, particularly in this bill, we're just talking about, and I know it's a work in progress and I commend the committee and Members for doing what we did to move it along. But, particularly in the language it's just talking about mainland produce. The concern with that for me is, how do we know that, that produce is not genetically modified, even if it says it is. Just because it says it is, it doesn't mean it is. So, how are we going to check that? Are we going to send inspectors to the mainland to check those produce?"

"I'm not one to just say no and not have another solution, so what we've been working on, some Members in this Caucus and Members of the Senate, the Senate Ag Chair and the Senate Majority Caucus Leader, we've been working with the grocery stores here in the State of Hawaii, and one in particular who's been at the meetings is Whole Foods.

"If you walk into Whole Foods you will see Whole Foods brand the non-GMO products that are labeled throughout the store and you will see labels coming out of the shelves that specifically point out which items are GMO free. If you go into the poultry section you'll see chicken, raw chicken, GMO-free raw chicken and just regular raw chicken, and definitely the GMO free chicken is more expensive. But, they give people the choice. And guess what, Mr. Speaker, government is not involved. They also work with a consortium, the non-GMO project that goes to these different places and they check to make sure that the feed that the chicken is eating is not genetically modified corn.

"So, I think that's a direction we move in. We've met with some of the local grocery stores here, in fact all of the big one, we've met with them and they're all interested in doing something like that. And if they do something like that, I think that achieves the goal in labeling what people eat.

"When we say that we talk about labeling the food and how important it is to people, but I have this can here and I know if you drink enough of this it's not good for me. So it is a matter of choice, Mr. Speaker and I just think that by giving the people the choice at the grocery store, at the point of sale, without government's involvement. We cannot even find enough inspectors to inspect our friends that come from, sorry to the Big Island Repts, the fire ants and the coqui frogs that come to Kauai. We don't have enough inspectors to do that.

"Those are the concerns I have and I know the intent is great for this, for what we're trying to do. But I think the private sector can do it better than government in this situation and I'll continue to support this bill, but I think there are other ways as well, Mr. Speaker. Thank you, for the time."

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

"Thank you, Mr. Speaker. In support with just a few brief comments. I just wanted to note the degree of community support we have as well as prominent leaders in our community.

"In 1999, the late Congresswoman Patsy Mink signed on to a letter supporting a recommendation to the Food and Drug Administration to label genetically modified food. Mink was a cosponsor of House Resolution 3377, the Genetically Engineered Food Right to Know Act. She also cosponsored HR 713, to require the Secretary of Agriculture to complete a report regarding the safety and monitoring of GE food.

"Fast forward to March of last year when Senator Daniel Akaka signed on to a bicameral letter addressed to the Food and Drug Administration, asking the Agency to require the labeling of GE food. Three months later in June both Senator Akaka and the late Senator Inouye voted in favor of an amendment reaffirming the rights of states to pursue their own labeling of GE food laws.

"Here at the county level in December 2011, Maui, Kauai and Hawaii County all passed labeling resolutions followed by Honolulu County in May of 2012. At our most grassroots levels of civic engagement here on Oahu are the neighborhood boards. The Ewa, Kapolei, Nanakuli, Waianae, Makiki and Ala Moana neighborhood boards all passed resolutions in support of labeling of products that contain GE ingredients. For these reasons, Mr. Speaker, I rise in support of this measure and hope that it continues forward for discussion. Thank you."

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

"Thank you, Mr. Speaker. I rise in support with some slight reservations. I do look forward to the continued discussion on this matter, through the Senate and possibly coming back to us. Thank you very much."

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

"Mr. Speaker, thank you very much. I rise in support with some reservations. I thank the Chair of the Agriculture Committee for making the amendment and really reducing the scope of this measure to just impact imports from out of state. I hope that it does pass muster under the different constitutional questions.

"My reservation here is a more practical one, Mr. Speaker. I think the enforcing agency will be in the Department of Agriculture. I think under chapter 150, I'm just reflecting upon the comments and testimony that were brought to the committee by Carol Okada. Many of you know that Carol Okada runs the Department of Ag Division of Plant Quarantine and she's done an admirable job despite the repeated restrictions, furloughs over the past several years in trying to beef-up the inspectors that we have at our ports, at our airports and our shipping areas. She was quite impassioned in her testimony to the committee and I think it focused upon her question of whether or not she and her small staff can do the job that's required under this measure.

"She commented upon the fact that they might not have the ability, the know-how or the expertise to be certified on whether it is GMO or not

GMO. They were concerned about the labeling program itself. She mentioned to the Members in her testimony that the plant quarantines primary mission at this point in time is to protect Hawaii citizens and environments. For alien species, foreign organisms, insects, pests and disease and both our forests, farms, natural resources, native biota and endangered species, and even human health.

"In 2009 she said they had inspected 14 million parcels coming into the state and they did that with 95 inspectors. Today they have 50. 50 inspectors. She's concerned that they can't make the timely inspections when a 40 foot container comes in off Matson or one of the shippers at the ports in Honolulu. She's concerned that there are not enough electrical conduits to keep those refrigerated containers refrigerated so that there's not spoilage of produce on the docks.

"That was a problem that we're well aware of, for those of us who were here several years ago during the great recession, and there were cut-backs, restrictions and layoffs of inspectors. We were hearing from our own grocers that produce was not getting from the ship, to the dock, to the shelves, and there was a lot of spoilage and waste of food coming in because they couldn't be inspected. So, she's concerned about that and that's a current memory that's still in her mind.

"She's also concerned about keeping track of the containers as they move through the system. She explained to me that for larger shippers like Safeway or Costco, they seldom ship one type of product or one brand or one item of food product or produce in one container. There might be different sources of that and the verification process of having one suspicious cargo or carton can stop the entire container from moving forward, off the dock, off the pier and onto our shelves. So, she's concerned about that.

"She's also concerned about the same effects for shipments coming from the mainland through air freight. She doesn't believe that the airlines will have the ability or have the willingness to install the requisite electrical upgrades to make sure that their product in those containers are refrigerated and kept so there's no spoilage. And, again, she has experienced that recently.

"She told us that they have a limited staff and they have a limited budget, but they have enormous jurisdiction of containing the issues of Dengue fever, West Nile virus, besides the invasive species that come in every year. And that's only on the import side. But, she's also concerned about the export side. What about Hawaii product coming out, what about local farmers, our local producers of livestock. When we have to ship that out they have to also certify the safety of that product going to the mainland. She cited an example in California when there were 1400 containers stopped from going to California because of our alien species, unwanted pests going to the mainland. They were actually stopped. She also cited at the hearing that they used to ship out \$180 million of product to the mainland."

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

Representative Oshiro continued, stating:

"They started with out with \$180 million of product going out of State. Now it's down to about \$69 million, largely in part to the lack of certifying the lack of any pests or alien species leaving Hawaii going to the mainland. She says they're currently being taxed to prioritize and enhance our inspections with limited resources, limited manpower, limited capital, and they have a large area to cover. The current threat she reminded us of is that there is a threat of Ohia rust right now facing our forests, our water sheds, which can wipe out our Ohia forests, 80% of which is Ohia, by this Ohia rust. So where do we set our priorities, is a questions she asked us.

"I also have a personal concern, Mr. Speaker. I'm not sure if this bill contains any element of the prior drafts but I hope it doesn't. I have a family farm in Wahiawa that's been around for about 100 years and one of the few remaining local farms that locally produce eggs. I'm not sure where they get their feed from. I don't think it's grown locally, I don't think it's processed locally. I think it may come from a mainland conglomerate

like most of the feed stock that comes into the State. I'm not sure if it will pass muster under this bill and can be used.

"Those are the concerns I have. But, I think the Chair of Agriculture has done an admirable job in narrowing the scope of this and trying to take into consideration all the different interests on this measure. So, I'm supporting with reservations. Thank you very much."

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

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

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

"In support and I'd like just note for the record that of all the issues that I've seen debated here in my time, this issue has polled higher in our district than any other with 9 out of 10 folks in support. With that, I'd like to thank the Chair of Agriculture for moving this along and look forward to further debate. Thank you."

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

"Thank you, Mr. Speaker. I stand in support of this measure. As a member of the farm that the Representative from Wahiawa talked about, it does not affect our family farm, although it was a concern. But I do think that we've all received numerous emails, calls, testimony asking for the right to know and for GMO labeling. I think it's important that we continue this discussion. Thank you."

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

"Mr. Speaker, in support with reservations. May I have the words of the Representative from Wahiawa inserted as if they were my own, in addition to these comments. Mr. Speaker, this has been a particularly frustrating issue. For every study that someone brings into my office saying that GMO is bad, someone else walks in saying GMO is good and I can't sort through the fog here. I want to know, is GMO good or is it bad? Is it good for people, is it bad for people?"

"One person came in and said that this next generation that's coming up that's going to be raised since the first time GMO was introduced into our food supply is going to be the first generation that's not going to outlive their predecessors. So I wanted to go over to the Finance Committee and say, is this assessment correct? Because then this will affect EUTF, this will affect ERS, if people are going to be dying earlier. Because all of our fiscal planning is based around people are living longer and healthier than they ever have in the history of the country and that applies here to Hawaii as well.

"So, I don't understand, I'm not seeing, I'm trying to figure out. They said GMO doesn't increase Ag production, so I went to studies from the University of Wisconsin, University of Iowa, Iowa State University, and they have had significant gains in their Ag production since the introduction of GMO. If this industry is going to be on the cutting edge of future technology and has the potential for solving some of the great food supply problems that we have pretty much throughout the world, I think it would be a good thing for Hawaii to be leading that if it's going to help mitigate a lot of the suffering that goes on throughout the world in relation to hunger.

"So, I do support the measure, Mr. Speaker, but it definitely merits much more discussion and we need solid facts in regards to whether it's good or bad so that decision makers can make good decisions, Mr. Speaker."

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

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

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

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

Representative Lowen's written remarks are as follows:

"Mr. Speaker, I rise in support of House Bill 174, HD 2, Relating to Food Labeling, which imposes labeling requirements and import restrictions on imported genetically engineered produce.

"Without labeling, consumers have no way to know when they are eating genetically modified foods. Many studies show that GMOs may have harmful effects on human health. In addition, the way that genetically modified foods are engineered, often encourages the use of large amounts of toxic chemical pesticides and herbicides. Consumers have a right to know if they are purchasing products that could be harmful to their health and the environment. This measure is a first step in that direction

"It would be more rational to have a comprehensive labeling law that addressed GMOs at the federal level; however, sometimes states must lead the way in pursuing proactive policies on controversial topics for the benefit of their residents. Therefore I urge the Members' support of this measure."

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

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

"Thank you, Mr. Speaker. In support. Thank you very much. First of all, I'd like to just thank the Chairs of Agriculture, CPC and Finance for hearing the bill, and I'd like to thank my Colleagues for having this discussion. I think this is very healthy. In my district I also have GMO farmers and corn seed and they provide a lot of jobs.

"The intent with all the constituents that I have to deal with, which I have a very controversial district which is made up of islands, my intent was really the right to know. Not to take out Monsanto, not to take out anybody, but the right to know as a consumer, what is coming into our State. That being said, I know we've heard a lot of comments here. I think what has happened here which I think is really good, is that many issues have been raised where the Department of Ag has talked about inspections, and as we heard from the Representative from Wahiawa, all the way to the benefits of GMO.

"So I see labeling, not only just the right to know, but if like we heard from the Representative from Laie, that this technology is the way to go because we're trying to produce more food, I think it's also an opportunity to educate what the benefits are if it is GMO. Everybody has an opinion and everybody has a choice and I think we can all agree that should labeling be the way of how we provide for our food sources that come in to our state, but even the foods that we produce, I think education and letting us know what it is that's in our food that we can eat so that we can better make choices that are fitting for ourselves.

"I also would like to say thank you to all the people who came out to testify and who flew from the neighbor islands. I know that cost them a lot and I know that a lot of people are passionate and I can promise you, however you vote I will not take it personal as the introducer of this bill. I just appreciate the healthy discussion. Thank you very much."

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

"Thank you, with reservations and just really brief comments. I think given some of the changes that this bill has gone through, it's not workable right now. If it was to move through like this I think we're going to have some very serious problems, including consumer confusion. Other than that, with reservations and given that there's still a defective date in this bill I think it good to have further discussion. Thank you."

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

Representative Johanson's written remarks are as follows:

"Mr. Speaker, I rise with reservations on HB 174, HD 2. This bill would introduce labeling requirements and import restrictions on imported genetically engineered produce. While I understand the desire to ensure that consumers know what is in the products they consume, I have some concerns over workability and the feasibility of implementing the bill.

"Specifically, the Department of Agriculture raised a number of legitimate concerns when they mentioned in the Finance hearing that they do not have enough inspectors to handle the increased demand for inspections that would be brought about by labeling nor the ability to hold all the produce that they would need to inspect at port.

"While this bill does have a noble cause in improving the transparency of agricultural products, I have concerns about its implementation."

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

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

"Thank you, Mr. Speaker. In support. I would like the words of the Chair of Human Services entered into the Record as if they were my own and just some brief comments. In order to make this a well-rounded discussion, your Committee on CPC added the Part II. Because there is another issue going on, which is the popularity of non-GMO, and of course, organic produce.

"Right now there is no mechanism to verify, even though the private sector is moving ahead, whether or not what is being represented is true. So, your Committee felt it was important to include that in the conversation, especially in the conversation with Department of Ag, that the certified organic Ag program has been suspended. So, right now it's just a leap of faith as to what you're buying, saying it's organic, is actually organic.

"So, that's why I stand in support of the bill, not only for the reasons that were very eloquently remarked on by the speaker from Hana, but also for those other reasons, too. Thank you very much, Mr. Speaker."

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

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

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

"In strong support and may I request that the words of my neighboring colleague from Hana be inserted as my own. It really goes without saying that GMO labeling is a subject of poignant interest in my district, being the very pervasive presence of the biotech industry within my district boundaries. It's dismaying to some, I think, but to me it's purely about labeling, at least this bill is.

"I'd also like thank the Chair of the Agriculture Committee for pointing out that there are no current federal laws that constitute preemption if this state law does pass. Perhaps some people may believe in this House that this issue is better handled in Congress, but if so, I think the Attorney General right now will soon opine a decision of whether or not this would conflict with at least the administrative rules on the federal level.

"But, whether or not there is any conflict, I think at least passing this out of this Chamber will send a strong message to Congress to move ahead or at least open discussion a little bit more earnestly."

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

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

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

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

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

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

"Mr. Speaker, I rise in support with reservations. This is an important bill because it will set a precedent. I think the precedent that we should set should be a small one. Frankly, I think we are biting off more than we can chew, pun intended. We have right now a very successful industry based on GMO – papayas. I would suggest that we look into a narrow sector of produce or vegetables and start labeling with those.

"Secondly, I think that people should look at what should be labeled and what should not be labeled. In this situation this bill calls for the labeling of GMO produce. Perhaps the opposite should apply, that there should be labeling of non-GMO produce because that carries a premium to it, a price premium to it. Perhaps, also as was suggested by the good Representative from Lihue, that private sector involvement might aid in implementing the general concept.

"As you know, the details are always difficult here and we're not implementers. I think that we should think about passing laws sometimes to represent a concept or a stance. And in this case, for me, I'd like to take a stance saying that I'd like to see labeling of GMO and non-GMO products. I'd like to be well informed as to what I purchase and especially what I eat. And with those comments I hope that this bill gets more work. Thank you."

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

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

"Thank you, Mr. Speaker. In support with reservations. Very briefly, I just want to echo the comments that were made from the Agriculture Chair regarding the constitutional issues and the dormant commerce clause. That is the crux of my concerns.

"Number two, I just want to thank the CPC Chair for his hard work on this bill. Thank you."

Representative Hashem 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. 174, HD 2, entitled: "A BILL FOR AN ACT RELATING TO FOOD LABELING," passed Third Reading by a vote of 50 ayes to 1 no, with Representative McDermott voting no.

At 6:05 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 1324, HD 2
H.B. No. 497, HD 3
H.B. No. 1459, HD 2
H.B. No. 174, HD 2

THIRD READING

H.B. No. 399, HD 1:

On motion by Representative Saiki, seconded by Representative Awana and carried, H.B. No. 399, HD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," passed Third Reading by a vote of 46 ayes to 5 noes, with Representatives Fale, Har, Hashem, Ito and McDermott voting no.

H.B. No. 734, HD 1:

Representative Saiki moved that H.B. No. 734, HD 1 pass Third Reading, seconded by Representative Awana.

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

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

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

Representative Fale's written remarks are as follows:

"Mr. Speaker, I rise in opposition of House Bill 734, HD 1. This bill 'amends public lands classifications to add taro lands for wetland cultivation as a fourth class of agricultural lands. Defines taro lands. Requires retention of supporting structures for taro fields. Adds growth and perpetuation of all traditional Hawaiian crops to agricultural planning objectives.'

"Mr. Speaker, creating a fourth class of agricultural lands to improve taro protection will not take away the threats that prevent this crop from thriving.

"House Bill 734, HD 1 states that 'this class does not make a determination of productivity and recognizes the cultural, social, economic, and food self-sufficiency value of preserving traditional taro lands for wetland cultivation.'

"By not determining productivity of the land and creating this specific class, it will prevent necessary development that could be beneficial to the production of taro.

"Mr. Speaker, for these reasons, I rise in opposition of House Bill 734, HD 1."

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

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

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

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

The motion was put to vote by the Chair and carried, and H.B. No. 734, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE

PROTECTION OF TARO LANDS," passed Third Reading by a vote of 48 ayes to 3 noes, with Representatives Fale, Har and Say voting no.

H.B. No. 563, HD 1:

On motion by Representative Saiki, seconded by Representative Awana and carried, H.B. No. 563, HD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Third Reading by a vote of 51 ayes.

H.B. No. 696, HD 1:

Representative Saiki moved that H.B. No. 696, HD 1 pass Third Reading, seconded by Representative Awana.

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

"Thank you, Mr. Speaker. With reservations and just brief comments. I do support the intent of this measure. I want to thank the introducer of the bill. My reservations come from the amendments that were put in. I do not believe that the Speaker of the House nor the Senate President should be making the call as to how much that amount should be. I do believe that the Department of Accounting and General Services is the more appropriate agency and for those reasons I stand with reservations. Thank you."

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

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

"Please record a no vote for me and I'll incorporate the words from the Representative from Kapolei as my own in justifying why I am voting no. It would have been nice if we went back to the original draft where the comptroller had the jurisdiction. And providing the Members of the House the opportunity of having a discussion about the per diem for the Lieutenant Governor rather than just to the Executive of the House and the Executive of the Senate making the decision without the Members of the House knowing. Thank you."

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

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

"Mr. Speaker, in support. When we heard this bill, the per diem bill for the Lieutenant Governor's Office, it had significant problems because the department could set whatever fees or per diem they wanted in excess of the limit of what the Federal Government allowed. And that would be in line with about \$350 a day. I think before we allow any executive members or any person to have this type of per diem, we should have a little bit more control. Thank you."

Representative Har rose to respond, stating:

"Thank you, Mr. Speaker, just a brief rebuttal. Thank you to the Finance Chair for her comments, but the fact of the matter is this. The Legislative Branch still has oversight via the budget. So, if the Department of Accounting and General Services still had control over the per diem amount as well as the amount that was to be set for this particular office, or the amount needed for the Lieutenant Governor's neighbor island office, the Legislative Branch would still have the opportunity to opine. So, there is legislative oversight and that's why I still think that the amendment is unnecessary. Thank you, Mr. Speaker."

Representative Fale 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 H.B. No. 696, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE OFFICE

OF THE LIEUTENANT GOVERNOR," passed Third Reading by a vote of 50 ayes to 1 no, with Representative Say voting no.

H.B. No. 31, HD 1:

Representative Saiki moved that H.B. No. 31, HD 1 pass Third Reading, seconded by Representative Awana.

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

"Mr. Speaker, I'm going to rise in opposition to this measure. Again, basically I think it's wrong policy to use a criminal code, disorderly conduct. When somebody makes threatening gestures or one squats in the middle of the sidewalk and begs for alms and one threatens someone with physical blows and assaults someone, those are the things that are captured under the criminal code of disorderly conduct. But when a person at a bus stop falls asleep for 60 minutes, that doesn't seem very disorderly. I think it's a real big sledgehammer to deal with a homeless person or the idea that homeless people are taking over all of our bus stops.

"While I'm first to admit that there are some inconveniences caused by homeless people using our bus stops and shelters as temporary shelters from the elements, to criminalize that and make them criminal for seeking shelter, that any rational or reasonable person would do, I think is going a little bit too far. Earlier today we had a very vigorous debate upon letting the homeless in their own automobiles park in parking lots. I think we heard very impassionate speeches on both sides of the argument. And about the never ending crises that we have with the homeless population.

"But, this one here kind of strikes me as being almost punitive. I'm afraid about how it's going to be enforced. You guys read the testimony from the Public Defender's Office, you have one guy on the lookout and while he is on the lookout his six other buddies catch 59 minutes of rest, they make compliance.

"But to criminalize someone falling asleep at the bus stop, at a shelter or even nearby a shelter or bus stop, I think is going a little bit too far, a little bit too punitive for a person that doesn't have shelter and is seeking shelter from the elements. There must be a better way. I hope this thing comes back to us and there's something else there, but as it currently sits before us, I have to vote no. Thank you."

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

"Thank you, in opposition and I'd like to ask if I can incorporate the words from the Representative from Wahiawa as my own and I'd also like to add some comments. It's not just the homeless, it's oftentimes the *kupuna* or the person that's worked an eight hour shift and has stayed up all night coming in from another job, it's many different people. So, in opposition, Mr. Speaker."

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

"In support. Just a couple of broad points. First of all, as I've mentioned before, bus stops are an important transportation hub for many of my constituents, many of whom are not particularly wealthy and the bus is how they get to work, to the grocery store and everything else.

"I just point out that at the airport a few years ago we had a problem with homeless or street people frequenting the terminal at Honolulu International, and it didn't take long for the Department of Transportation to figure out a way to get them out of there. That was a transportation hub, they didn't want them there, they were causing problems for the travelers who were coming through.

"I would submit that this is actually a very similar situation. The *kupuna* are exactly who this bill is intended to help because when an 80-year old lady comes to the bus stop and she can't sit down because there's somebody there who's been lying there all day, it's more than a minor inconvenience for her, she's not going to be able to stand up forever, especially when she knows she's going to have to get on a crowded bus.

"The other thing I would point out is what's not in the bill is almost as important as what's in it. There's nothing in here about not being on a sidewalk or sleeping on a sidewalk, which happens all the time in my district. There's nothing about sleeping in the doorway of a business, which happens every night in my district. There's nothing about sleeping in parks, and street people and homeless people sleep in the parks, on the basketball court, when people are trying to play basketball, on the *keiki* equipment when the kids and their parents are out there trying to have fun at the end of the day after school.

"I realize homeless and street people have to go somewhere and much of my political capital and my six years in the Legislature have been spent trying to increase the number of affordable housing units and making sure that Mayor Wright Homes has hot water, etc., etc. But, this bill is important to my district because people do need to use the bus stops and many people are intimidated by the people that they meet there. So, I will stop there. *Mahalo* for your time."

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

"Mr. Speaker, please note my reservations and I look forward to the continued dialogue."

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

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

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

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

"In opposition, Mr. Speaker. I do not support the homeless to be sleeping at the bus stop, let me make that clear. However, criminalizing it is what I'm in opposition to. Thank you."

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

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

The motion was put to vote by the Chair and carried, and H.B. No. 31, HD 1, entitled: "A BILL FOR AN ACT RELATING TO DISORDERLY CONDUCT," passed Third Reading by a vote of 42 ayes to 9 noes, with Representatives Cabanilla, Carroll, Evans, Hanohano, Kawakami, McKelvey, Oshiro, Takumi and Thielen voting no.

At 6:17 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 399, HD 1
H.B. No. 734, HD 1
H.B. No. 563, HD 1
H.B. No. 696, HD 1
H.B. No. 31, HD 1

H.B. No. 129, HD 1:

On motion by Representative Saiki, seconded by Representative Awana and carried, H.B. No. 129, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CHILD WITNESS TESTIMONY," passed Third Reading by a vote of 49 ayes to 1 no, with Representative Hanohano voting no, and with Representative Takumi being excused.

H.B. No. 38, HD 1:

On motion by Representative Saiki, seconded by Representative Awana and carried, H.B. No. 38, HD 1, entitled: "A BILL FOR AN ACT

RELATING TO UNLAWFUL CHOP SHOP ACTIVITY," passed Third Reading by a vote of 50 ayes, with Representative Takumi being excused.

H.B. No. 37, HD 1:

Representative Saiki moved that H.B. No. 37, HD 1 pass Third Reading, seconded by Representative Awana.

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

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

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

"Thank you, Mr. Speaker in opposition with brief comments. I have grave concerns that this is going to open the flood gates of litigation and will hold the state, including the city and county as the deep pockets, being the prime defendants. Let's not forget who pays those judgments, our constituents. Thank you, Mr. Speaker."

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

Representative Fale's written remarks are as follows:

"Mr. Speaker, I rise in opposition of House Bill 37, HD 1. This measure 'authorizes injunctive relief and damages for private nuisance due to excessive noise.'

"The Hawaii Insurers Council (HIC) submitted the following testimony, 'Even without HB 37, a person alleging the existence of a private nuisance due to excessive noise may file a petition for injunction, a civil complaint for damages, or both. Because that right already exists, HB 37 is unnecessary.' The HIC also testified that, 'The definitions of the key terms 'excessive noise' and 'nuisance' in HB 37 are unclear and subjective, which would lead to more costly and protracted court proceedings.'

"The Attorney General, David M. Louie submitted testimony that noted, 'The Department of the Attorney General appreciates the intent of this bill but has concerns that the bill is vague and overly broad. Because some of the terms are not clearly defined, it may result in unintended consequences.'

"Mr. Speaker, for these reasons I rise in opposition of House Bill 37, HD 1."

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

"Mr. Speaker, with reservations. I am worried about the impact that it would have regarding delaying, extending and increasing the cost of projects throughout the State. Thank you."

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

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

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

The motion was put to vote by the Chair and carried, and H.B. No. 37, HD 1, entitled: "A BILL FOR AN ACT RELATING TO NOISE," passed Third Reading by a vote of 40 ayes to 10 noes, with Representatives Coffman, Fale, Hanohano, Har, Ito, Kawakami, McDermott, Say, Thielen and Yamashita voting no, and with Representative Takumi being excused.

H.B. No. 235, HD 1:

On motion by Representative Saiki, seconded by Representative Awana and carried, H.B. No. 235, HD 1, entitled: "A BILL FOR AN ACT

RELATING TO COLLECTION OF RESTITUTION FOR CRIME VICTIMS," passed Third Reading by a vote of 50 ayes, with Representative Takumi being excused.

H.B. No. 510, HD 1:

On motion by Representative Saiki, seconded by Representative Awana and carried, H.B. No. 510, HD 1, entitled: "A BILL FOR AN ACT RELATING TO DEFERRED ACCEPTANCE PLEAS," passed Third Reading by a vote of 50 ayes, with Representative Takumi being excused.

At 6:19 o'clock p.m., Representative Fukumoto requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 6:20 o'clock p.m.

At 6:21 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 129, HD 1
H.B. No. 38, HD 1
H.B. No. 37, HD 1
H.B. No. 235, HD 1
H.B. No. 510, HD 1

H.B. No. 568, HD 1:

On motion by Representative Saiki, seconded by Representative Awana and carried, H.B. No. 568, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ELECTIONS COMMISSION," passed Third Reading by a vote of 50 ayes to 1 no, with Representative Oshiro voting no.

H.B. No. 52, HD 1:

Representative Saiki moved that H.B. No. 52, HD 1 pass Third Reading, seconded by Representative Awana.

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

"Mr. Speaker, in opposition. I think this bill goes a little bit too far in some issues regarding the biased-based policing. I'll insert written comments, Mr. Speaker."

Representative Fale's written remarks are as follows:

"Mr. Speaker, I rise in opposition of House Bill 52, HD 1. This measure 'Prohibits biased-based policing by law enforcement agencies and agents. Establishes the Department of the Attorney General as the enforcing agency.'

"The Hawaii State Attorney General, David Louie testified that, 'our review of this bill finds that the prohibitions are somewhat vague as to what in fact constitutes biased based policing, which may lead to problems in enforcing the statute. Further, the bill is duplicative of other statutes that prohibit improper discrimination.'

"Mr. Speaker, this bill is an example of political correctness taken to the extreme. Since this bill is duplicative of other statutes, I feel that it is unnecessary.

"For these reasons Mr. Speaker, I rise in opposition of House Bill 52, HD 1."

The motion was put to vote by the Chair and carried, and H.B. No. 52, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CIVIL RIGHTS," passed Third Reading by a vote of 48 ayes to 3 noes, with Representatives Fale, Hanohano and McDermott voting no.

H.B. No. 321, HD 1:

Representative Saiki moved that H.B. No. 321, HD 1 pass Third Reading, seconded by Representative Awana.

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

"Mr. Speaker, please note my reservations. I'd just like to mention that I understand the intent of the bill is to encourage more voter participation which I think is a very, very important goal and something that I support as well, especially getting young people to vote. I'm just concerned about the fiscal impact that this bill will have because it requires a county clerk to designate a registration clerk for each of the polling places and already we have a difficult enough time to get volunteers to come out to staff the polling places. So I'd just like to note my reservations. Thank you."

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

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

"Reservations, Mr. Speaker. Just noting that I think this is a laudable thing to try to do but as written I think there are maybe some protections that are missing. I think, also repeating the comments of the Representative from Salt Lake, just noting that I think given that we have staffing issues and other problems at the polls, especially this year, I'd hate to make it worse. Thanks."

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

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

"Mr. Speaker, I rise in support with reservations. My reservations, besides the fiscal side of this thing and imposition upon the county clerks, was that this might lead to a situation where you have a particular narrow, single-issue candidate or single-issue constituency, and they could be swayed by last minute radio, TV, billboards, signage, postcards, to turn out, register to vote on that particular day, turn out on just one single issue. I have concerns about those kinds of elections and those kinds of effects upon our elected officials. So those are my concerns.

"As far as the idea of encouraging voters, getting more voters signed up to register to participate, that's a wonderful, great idea. The more the merrier. I think Hawaii has the terrible distinction of being last in the entire country. Even going back several years when President Obama was the Democratic nominee. We were dead last.

"I think it's really embarrassing that so many of us don't take advantage of early registration, ease of voting by absentee. But this is another opportunity for them to cast their votes and I think it's a laudable one. Again, my concern is the actual effects it might have upon the electorate constituents on single-issue candidates or single-issue constituencies. Thank you."

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

"In strong support. This bill will encourage the youth to participate in the civil process. During election season some very excited young people came up to me. They said they never voted before but they wanted to participate this year. Their exact words were, 'brudda I never voted before but I like vote for you.' I regrettably had to tell them that it was too late to register.

"A fundamental problem in youth voter turnout is that people between the ages of 18 and 25 only had one or two election cycles to contemplate registering so by the time campaign issues, statements are clear and the potential voter has made up his or her mind, it's too late.

"However, policy made by today's elected officials will affect these young people just as much, if not more, than other voters throughout the course of their lifetime. This measure will begin to address that problem. Hawaii indeed has turned out with the lowest numbers out of every state in our union with below 49% according to a 2012 study from George Mason

University. This measure is expected to increase overall turnout by nearly 6% and turnout among 18 to 25 year olds by a full 9% and that's according to a study by *Demos*, a national resource and policy organization.

"So, we can make a lot of arguments of how this measure may hold us more accountable, I think that's a good thing. If there are problems in the elections, Office of Elections or county clerks, then yes, they should be ironed out and this should open discussions and maybe we need to support them more. Maybe there needs to be some changes in personnel perhaps. But to vote down a measure that will help mitigate these dismal statistics of being the worse voting turnout in the nation, I can't imagine myself voting against any measure that will help increase those numbers, especially a measure that was recommended by numerous national organizations as a way to pull us out of this rut."

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

"Mr. Speaker, I rise in support. I'd like to commend the primary introducer from Kihei for brining this matter to the Floor. We have long had both silent majorities and vocal minorities. We have also had a long history in this country of voter discrimination. Right now we have economic discrimination, because certain people vote and certain people don't according to economic lines. We also have age discrimination in voting, because again by age certain people vote and certain people don't vote.

"We should be doing everything we can to encourage voting. Whether it's same day registration or any other kind of registration. Whether it's making it more convenient by mail or non-mail. I think that all of these are parts of the puzzle. There's no one thing that will solve our problem of low voter turnout but anything that we can do will be of great help. Thank you."

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

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

"Thank you, Mr. Speaker. I stand in support with reservations. I agree with the young Representative from Maui, there is a sense, a strong sense, of voter apathy within the young people. I think something just off the top of my head to deal with this problem, we can register at the age of 16.

"I know I went to a school here in Hawaii and it really wasn't taught to me the importance to vote. And if it doesn't come from your parents, then you're not going to be taught. Luckily my parents told me the importance of my civic duty but I think another option is going into the schools, letting juniors in high school, tell them the importance of voting, give them a voter registration form.

"There are many other things that can be done. I have a few problems with registering on the day to vote but I think it's a discussion that we need to continue. Thank you."

Representative Fale rose to respond, stating:

"Mr. Speaker, with reservations. There's two things. If we really wanted to drive voter turnout, if you look at communities that have higher levels of education, higher levels of income, the voter turnout is drastically higher than communities that are economically and educationally disadvantaged. If we wanted to turn that around we need to increase income levels and increase levels of education.

"As you go through, if you compare the wealthier communities with the poorer communities, if you compare the better educated communities to the less educated communities, obviously there's a correlation between income and education to begin with. There is a huge difference between the two.

"I've been deployed to the Middle East where voter turnout has been drastically higher in places like Iraq than they are here in the United States.

But if we really wanted to turn voter turnout around here in the State of Hawaii, we need to increase incomes and we need to increase education. Those two things have proven, without a doubt, to increase voter participation. I would daresay that improving upon those two things would drastically improve voter turnout way beyond same-day registration."

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

"Thank you, Mr. Speaker. In support with some slight reservations. It's just because I don't think that the voter apathy is because of a lack of opportunity. There are tremendous amounts of opportunity and I support giving them another opportunity. But when you take a look at the voter turnout, who is not turning out? It's guys in my age bracket. Generation X, Generation Y. I don't know if it's laziness but it is a problem. I think the problem stems from not having civic responsibilities and duty taught in our schools.

"But nowadays you take a look at the younger generation. I think all of us have been into one of the classrooms and have participated in Kids Voting. Nowadays you have kids like my daughter Hailee who is nine years old that's the biggest political dork. That looks up to Congresswoman Gabbard more than some of the superstars that she sees on MTV.

"So I think it's part of addressing a bigger issue but I think that the next generation of voters, because civic responsibility and duty has been taught in the classroom, will have a much higher voter turnout than our generation. Thank you."

Representative Ing rose to respond, stating:

"Again, in strong support. I just wanted to say that I fully agree with the last three speakers that there are many ways to address the problem of low voting turnout, especially among the youth. Education and opportunity are factors, I agree. But the biggest factor I think of wanting to participate in elections is seeing policy affect your lives. Over time, when you're 40 or so, you have kids, you have a mortgage, you send your kids to college, you see all these effects of policy.

"When you're 18 or 20 you haven't realized that much, aside from maybe student loans. It's when it becomes real is when you want to vote. I think that's why we build the excitement, we don't really feel that sense of urgency until it's the peak of election season.

"So I do agree that it's a multifaceted issue, but in terms of policy and things that we can do right now to address this problem, 9% increased turnout, this is the only way. There's no single policy that's going to increase education levels or income. This is the goal to weigh right now. There's mail-in voting which is another option, but these are the two options that will actually specifically address that problem.

"On a side note there is something to be said about growing up in a society where Obama is all over TV and the excitement of that hope and change message versus even my generation, that's a little bit younger than me, but even my generation where I grew up with G.W. Bush, for example. That's where apathy stems from too, is the public trust in government and feeling like you're able to participate, and there's a back-and-forth. So every policy that I'm standing up for is to increase public trust and transparency and accountability. So, in terms of consistency, strong support."

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

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

"Mr. Speaker, I believe I might be the only one that was going to vote no, so the Majority Floor Leader can you withdraw my no vote after listening to the young man, the Representative from Kihei, in giving a very eloquent presentation of why we need voter registration on the same day of the election.

"The only downside I will share with the Members is what we experienced five years ago during the presidential caucus. How will we anticipate the turnout on that particular day and then have a problem of having chaos in our respective precincts. It is a concern, because there is no one to blame but we elected officials here.

"I would like to challenge all of you this evening that if this measure passes, can we appropriate some funds to the Elections Commission along with our county clerks in anticipation of a 9% increase in voter turnout on the day of the election. And that would be sufficient for me in going in support with reservations at this point. But a commitment would be that next year we have an appropriation for all four county clerks and our Elections Commission. Thank you."

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

"Thank you, Mr. Speaker. I rise in support with reservations. First of all, I appreciate the intent of this measure as Hawaii has the lowest voter registration in the nation. However, my concerns are as follows.

"Members, I would direct your attention to the testimony of all of the county clerks from each of the counties. In particular the Office of the County Clerk, County of Maui, expressed grave concerns. They stated that the introduction of election day voter registration will require the recruitment and training of additional personnel. In the County of Maui, the Office of the County Clerk estimates they would need to hire and train approximately 40 new staff members in order to facilitate voter registration and provide control center support. This is an additional burden on the clerk's office on top of election day procedures.

"Interestingly enough, Mr. Speaker, the Attorney General testified on a separate bill, House Bill 754, that it is a violation of the Hawaii State Constitution to mandate any new program without sharing in the costs. This bill does not address any appropriation for the state to share in the cost of the program. In Section 5 of the Hawaii State Constitution it states, 'if any new program or increase in the level of service under an existing program shall be mandated to any of the political subdivisions by the legislature, it shall provide that the state share in the cost.'

"This bill does not mention any additional funding from the state and therefore could be seen as a violation of the Hawaii State Constitution.

"Second, in order to have election day voter registration, all polling places would need to be equipped with a computer connection in order to access the statewide voter registration system. Currently these computer connections do not exist.

"Third, election day voter registration would allocate additional responsibilities to the precinct official or registration clerk in that they would have to verify whether the information provided is acceptable for voter registration. According to the testimony of the Office of the County Clerk from the County of Hawaii, usually this responsibility is delegated to the county elections office. In the county elections office, employees have access to the proper tools and materials needed to determine that voters are properly registered prior to election day.

"Finally it should be noted that a cast ballot cannot be retrieved. In the case that a voter registered fraudulently without proper identification or in the wrong precinct, the ballot would not be able to be cancelled. For these reasons, Mr. Speaker, I stand with reservations."

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

"Thank you very much, Mr. Speaker. Not to belabor the point, but I stand in strong support, although unlike the Representative from Kihei I'm long past the 18 to 25 year old demographic group. But let me tell you why this bill is important.

"Think about, back to 1954, well I was alive then, you weren't. In 1954 if you remember that was a Democratic Revolution when the Democrats took control of the Territorial House, and in 1962 the Democrats took control of the State Senate and also the Governor's Mansion. If you look at

the voting turnout in those days without any kind of absentee balloting, mail balloting, voter registration drives, same-day voter registration, we had poor people in 1954 and 1962, Mr. Speaker. The voter turnout rate and registration rate was in the mid 80's to the low 90's.

"So, clearly the reason why this bill is important, the reason why every effort we can do to encourage people to vote is twofold. One, people need something to vote for first and foremost. And secondly, I would assert that people who don't vote have an equally important reason they don't vote.

"The act of voting and not voting are both civic responsibilities and civic activities, that unless you discern why people vote and don't vote, you'll never get to the heart of this. But this is a good first step. Thank you."

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

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

"Thank you, Mr. Speaker. I rise in support with written comments, please. Just briefly, I wanted to commend and congratulate the Representative from Kihei. It's been a while since I first got elected, I know it. But it's refreshing to see his perspective and it just makes me wonder what would have happened if we started this 20 years ago. Thank you, Mr. Speaker."

Representative Takai's written remarks are as follows:

"Mr. Speaker, I rise in support of HB 321.

"In 2012, Hawaii had the lowest voter turnout rate in the entire nation. This indicates that we—as elected government officials—must help Hawaii citizens exercise their fundamental right to vote.

"Higher voter registration leads to higher voter turnout rates. By allowing same-day voting registration on Election Day, HB 321 will make voting more accessible to a wider range of potential voters and will both encourage and increase public participation.

"I commend the Representative from the 11th District for introducing this progressive measure. With his finger on the pulse of the youth, he introduced the same-day voter registration bill, assuring us that this bill will increase voter registration by 10%.

"For these reasons, I support this measure and urge my colleagues to do the same. Thank you."

The motion was put to vote by the Chair and carried, and H.B. No. 321, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTIONS," passed Third Reading by a vote of 50 ayes to 1 no, with Representative Coffman voting no.

H.B. No. 619, HD 1:

Representative Saiki moved that H.B. No. 619, HD 1 pass Third Reading, seconded by Representative Awana.

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

"Thank you, I rise in opposition. Thank you, Mr. Speaker. This bill will make a violation, first violation, second and other violations, a petty misdemeanor for feeding wild or feral birds. The reason that I have an issue with this is, well several, but one is I do believe Department of Health has the authority to regulate for nuisances that deal with public health matters. For example, in a certain area where there are hundreds and hundreds of pigeons and it's causing a health problem, I believe Department of Health can take care of that.

"But I think more importantly, like with barking dogs, I think that this is more of an issue that should be dealt with at the county level. I believe the councilmembers should be looking at ordinances if they see this as a problem because the reality is enforcement is always an issue here.

"I hate to belabor these stories, but I'm going to say a couple just so people of record know. You go to the 18th hole of the Waikoloa Golf Course which is a pond and there's wild ducks there and as people drive up in their carts the ducks come over and beg for food. Under this law if someone gave them any food they would be violating the law.

"Another thing is a next door neighbor has a bird feeder. Anybody in this state, after this law has passed, that has a bird feeder, could be violating the law. So if your next door neighbor doesn't like you and now they know that they can get you because you have a bird feeder, because guess what? Wild birds don't discriminate, they go to trees all around the neighborhood. So this could end up pitting neighbor against neighbor.

"I understand why it was introduced because I'm sure there are many instances where birds, when people feed them they start maybe to grow in population, they go from 5 to 10 to 20 and ultimately it can cause a problem. I understand why, maybe someone in the neighborhood brought it to our attention, but I believe that this is not the way to go about solving the problem. Thank you."

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

"Thank you, Mr. Speaker. I rise in support of the measure. This bill is something of a measure of last resort for a group of residents in Pearl City who have had the misfortune of living next to neighbors who feed pigeons and they've accumulated in numbers of more than 200 and they have been forced to live in this unbearable condition for multiple years, more than 10 years in some cases.

"They've tried unsuccessfully to appeal for help from the Department of Health, they have tried legal action and they have tried voluntary meditation. All of these have failed. Having said that, it's admittedly a work in progress. I ask the support of the House in enabling this measure to go forward so that we can further work on this measure with the Senate. Thank you very much."

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

"Thank you, Mr. Speaker. Please note my reservations. I do understand the introducer is working on some corrections to the current measure and at such time that happens, I'll change my vote. Thank you."

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

"Thank you, Mr. Speaker. I'll just stand by my potential conflict on the last reading of feeding the mynah birds. In support with reservations. I just want to really congratulate the author for the hard work he's doing on this. I humbly ask everybody to recognize it is a work in progress. My reservations are there are some unintended consequences for people like myself who like to feed the mynahs some dog food here and there.

"But I think the intent behind this is one that is extremely important, so I humbly ask those who have concerns to support the measure as it moves forward knowing that is a work in progress and that hopefully in working with the Senate we can address these unintended consequences and come back with a good bill. Thank you."

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

"Mr. Speaker, I also stand by my potential conflict of interest. Potential conflict regarding my background with enjoying wild birds when we go and feed them in the mountains," and the Chair ruled, "no conflict."

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

"My initial position is to be opposed to this measure, Mr. Speaker, but I believe that the author of the measure is definitely taking into

consideration the concerns that we have and I would like to support the measure with reservations."

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

"Thank you, in support. I'd just like to thank the Judiciary Chair and also the introducer of the bill proving that this is a work in progress. That they carved out an exemption for chickens because as you may know Kauai is very fond of their wild chicken population and people like my daughter love feeding those chickens and they pose no problems as far as health or a nuisance.

"But this bill is aimed at certain people that have taken a flock of pigeons, brought them into an urban neighborhood and now that we're putting photovoltaic and we're putting solar water heaters on every house, it's causing not only significant property damage but there are heartbreaking cases where you have *kupuna* that are forced to live in their homes with all the windows closed because of the allergies, the mites and all the parasites that these birds have brought to the neighborhood. Thank you, Mr. Speaker."

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

"Mr. Speaker, I will be supporting this bill with reservations. Just like what they said, it's a bill in progress. As you know there's a lot of ways to skin a bird, rather than a cat. So, hopefully it will come up with ways for not criminalizing the action but they can demand we can come up with a policy that after we move this they can come up with more a less, clean up the mess, and whatever is the cost for that they can get reimbursement from those who are feeding the birds and be able to get back their money. So hopefully rather than criminalizing it, damages might be able to get it then. So I'll leave it up to the author of the bill to work with the Senate."

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

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

"Mr. Speaker, I rise with reservations. The difficulty is that, definitionally it's very insufficient. It doesn't really say what is a nuisance or doesn't give any quantification of how many. It simply says if you feed a feral bird, one bird. This is weak language and I think the discussion and strengthening should be to where when we have noise and what a nuisance is defined as. We can certainly zero in and do better on this particular measure. Thank you."

The motion was put to vote by the Chair and carried, and H.B. No. 619, HD 1, entitled: "A BILL FOR AN ACT RELATING TO FERAL BIRDS," passed Third Reading by a vote of 48 ayes to 3 noes, with Representatives Coffman, Evans and Hanohano voting no.

H.B. No. 1202, HD 1:

On motion by Representative Saiki, seconded by Representative Awana and carried, H.B. No. 1202, HD 1, entitled: "A BILL FOR AN ACT RELATING TO BUSINESS," passed Third Reading by a vote of 51 ayes.

H.B. No. 493, HD 1:

Representative Saiki moved that H.B. No. 493, HD 1 pass Third Reading, seconded by Representative Awana.

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

"Mr. Speaker, also with reservations probably for the same very reason. This bill says, no cruelty to animals by trap, particularly cats and dogs, but it doesn't have language tight enough. For example, in my district, people have to catch rats and mice and its broad enough the way that they defined

the traps that it could be if you caught a rat or a mouse in your house you would be penalized for that and I don't think that's the intention. It needs to be tightened. Thank you."

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

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

Representative Fale's written remarks are as follows:

"Mr. Speaker, I rise in opposition of House Bill 493, HD 1. This bill requires dogs or cats that are captured or killed in a snare or trap to be reported to a county animal control officer. Establishes the offense of cruelty to animals by trapping as a misdemeanor."

"Mr. Speaker, my concern with this bill is that ordinary people not trained in animal control, should not be responsible to ID injured/dead cats or dogs and then report it to an officer."

"This bill requires that any person who sees a dog or a cat caught in a trap or snare must report the incident to an animal control officer. If the incident is not reported, a person could be fined \$50."

"This bill is problematic. What if the dog or cat lashes out at you, when you approach it to check an ID tag? Also, people have a natural aversion to approaching injured animals; injured animals have a tendency to bite."

"Mr. Speaker, for these reasons, I rise in opposition of House Bill 493, HD 1."

Representative Har 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 Har's written remarks are as follows:

"Mr. Speaker, I rise with reservations on House Bill 493, House Draft 1. This bill proposes to establish the offense of cruelty to animals by trapping as a misdemeanor."

"Under the current bill, it states in Section 3 that a 'person commits the offense of cruelty to animals by trapping if the person intentionally, knowingly, or recklessly uses, sets, or maintains. . . (b) a snare, conibear trap, or foot- or leg-hold trap.' Later on in the bill, it defines conibear trap as a 'contrivance consisting of metal or steel designed to kill by crushing the body or severing the spinal cord of any animal.' Additionally, foot- or leg-hold trap is defined as a 'contrivance consisting of metal or steel that is off-set, padded or laminated, and is designed to capture and hold an animal by foot and limb.'"

"As such, a person using mouse traps would fall under this definition of animal cruelty and would thus have committed a misdemeanor offense. The bill is not explicit in its language and requires additional details with a rodent exemption."

"For this reason, I rise with reservations on House Bill 493, House Draft 1. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and H.B. No. 493, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ANIMAL CRUELTY," passed Third Reading by a vote of 47 ayes to 4 noes, with Representatives Cabanilla, Fale, Hanohano and McDermott voting no.

At 6:51 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 568, HD 1
H.B. No. 52, HD 1
H.B. No. 321, HD 1
H.B. No. 619, HD 1
H.B. No. 1202, HD 1
H.B. No. 493, HD 1

H.B. No. 951, HD 1:

On motion by Representative Saiki, seconded by Representative Awana and carried, H.B. No. 951, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE SERVICE OF PROCESS," passed Third Reading by a vote of 51 ayes.

H.B. No. 785, HD 1:

On motion by Representative Saiki, seconded by Representative Awana and carried, H.B. No. 785, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PRODUCTION OF RECORDS," passed Third Reading by a vote of 51 ayes.

Representative Tokioka rose, stating:

"Mr. Speaker, point of information. It is true that the Senate was done at 1:00?"

The Chair then stated:

"The Senate was done at 12:50 pm today. Thank you very much."

H.B. No. 1316, HD 1:

Representative Saiki moved that H.B. No. 1316, HD 1 pass Third Reading, seconded by Representative Awana.

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

"Mr. Speaker, ruling on a potential conflict. I am a residential landlord," and the Chair ruled, "no conflict."

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

"I would like to speak in favor of the bill, Mr. Speaker. This measure will help a lot of residents or tenants that are pet lovers to be able to get more landlords to rent to them. This will increase the amount of the deposit that's being asked, therefore the landlords will feel better about renting to tenants who have pets. Thank you, Mr. Speaker."

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

"Mr. Speaker, potential conflict. I have a rental unit," and the Chair ruled, "no conflict."

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

"A brief comment why I have reservations about this. There's no need to have an additional deposit. It's already built into the rent so I don't think this bill is really necessary. Thank you." [Note: Representative Ward's vote was later recoded as a no vote.]

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

"Mr. Speaker, potential conflict. I am a landlord," and the Chair ruled, "no conflict."

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

"Mr. Speaker, in opposition. Just once again, this will have a negative impact on young, working families, Mr. Speaker."

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

"Mr. Speaker, in opposition. Mr. Speaker, this bill is not needed. The law of economics and the law of the market takes care of this. As I said before, if you have a home and you can rent it for \$2,200. If you want to allow pets you can charge \$2,400 and get that. That's \$200 a month times 12, that's \$2,400 in a year. So you already have a premium built in, as the Representative from Hawaii Kai said.

"Now in addition to that premium you can negotiate, in the way I read the language, maybe it's changed, an unlimited security deposit. This actually hurts the people with pets who are trying to rent. This is a well-intended idea but the market is already taking care of this, Mr. Speaker. So for those reasons I vote no."

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

"Thank you, Mr. Speaker, ruling on a potential conflict. I'm a landlord," and the Chair ruled, "no conflict."

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

"Thank you, Mr. Speaker. By reference, can I have get my speech I did on Second Reading entered in the Journal? Thank you," and the Chair "so ordered." (By reference only.)

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

"Thank you, Mr. Speaker, a potential conflict of interest. I own a fractional interest in real property that is being rented out. Thank you," and the Chair ruled, "no conflict."

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

"I stand in strong support. Thank you."

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

"Thank you, Mr. Speaker, ruling on a potential conflict. My mother is a landlord," and the Chair ruled, "no conflict."

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

"Just strong support. Thanks."

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

"Thank you, Mr. Speaker. With reservations and may I please get the comments of the speakers from Laie and Ewa Gentry entered into the Journal as if they were my own. Thank you," and the Chair "so ordered." (By reference only.)

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

Representative McDermott rose to respond, stating:

"Mr. Speaker, still in opposition. Does anyone think that if I can get \$2,400 because I'm going to allow pets, that well I can get a higher security deposit so I'm going to take \$200 less and just charge what everyone else is charging for a home without a pet? Of course not, Mr. Speaker. I'm still going to take the premium. I'm not going to leave it on the table, that would be foolish.

"People don't rent to people with pets. By the way, I have three dogs. People don't rent to people with pets because they don't want the hassle of cleaning the urine out of the rug, replacing the doors that the dogs chew on and all the rest. Yeah, the cost of that is covered in the security deposit but

it's a hassle, that's why they don't want to go through it. That's why you can charge a premium and get people to come and they will pay the premium.

"People will not leave the premium on the table. So now they're going to get the premium and the higher security deposit. It doesn't make it easier, it makes it more difficult. Thank you."

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

"Mr. Speaker, ruling on a potential conflict. I am a renter. And I'm definitely looking for a place to rent," and the Chair ruled, "no conflict."

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

"Just with additional comments in opposition. Mr. Speaker, the description of what the Representative from Ewa just explained is actually the reality. My wife and I, as we look for a place to rent, there is a premium charged for places that will allow you to have a pet with you. We have just recently adopted an animal from the Humane Society and so finding a place that will rent to you without that premium is nonexistent. This will just add additional costs to young families like mine that are trying to find a place to rent.

"This actually has resulted in young families giving up their pets to the Humane Society because of an inability to pay the premiums which are charged to families with pets."

Representative Cabanilla rose to respond, stating:

"Still in support, Mr. Speaker, and I beg to differ. There are tenants out there who take care of their pets and take care of the places they rent. Not every pet owner is the same and those are the people that we look at.

"Not every landlord charges premium for tenants that have pets. I haven't done it but it will definitely make me feel better if I know I can recoup all the damages that may incur. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker, a ruling on a potential conflict. Thank you. I have a rental near the military base in Kailua and I rent to tenants that have pets and I don't charge a premium because I know the military has a lot of pets and are looking for places to stay," and the Chair ruled, "no conflict."

Representative Thielen continued, stating:

"The one thing I wanted to note, Mr. Speaker, is that in the lease agreement, I ask for the tenant to clean the rugs when they leave and that's never been a problem. So, anyway, either way on the bill, I'm not opposing, I'm not hugely one way or the other. Thank you."

Representative Ward rose to respond, stating:

"Mr. Speaker, just a couple of footnotes to point out how unnecessary this bill is. Number one, home ownership in Hawaii is about 49%, 50% at the max, on the mainland 69, maybe 70%. There's a lot of renters around, that's the point. We have the most expensive housing in the nation. The rent I think is maybe second or third in the nation. We need to give these guys a break because there's just so many renters around. To stick it to the renters is just not a fair way to go. I think this hurts our working families. Thank you."

The motion was put to vote by the Chair and carried, and H.B. No. 1316, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ANIMALS," passed Third Reading by a vote of 48 ayes to 3 noes, with Representatives Fale, McDermott and Ward voting no.

H.B. No. 138, HD 1:

On motion by Representative Saiki, seconded by Representative Awana and carried, H.B. No. 138, HD 1, entitled: "A BILL FOR AN ACT

RELATING TO REAL ESTATE SELLER DISCLOSURE," passed Third Reading by a vote of 51 ayes.

H.B. No. 999, HD 2:

On motion by Representative Saiki, seconded by Representative Awana and carried, H.B. No. 999, HD 2, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," passed Third Reading by a vote of 51 ayes.

At 7:01 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 951, HD 1
H.B. No. 785, HD 1
H.B. No. 1316, HD 1
H.B. No. 138, HD 1
H.B. No. 999, HD 2

H.B. No. 245, HD 1:

Representative Saiki moved that H.B. No. 245, HD 1 pass Third Reading, seconded by Representative Awana.

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

"Mr. Speaker, ruling on conflict of interest. I am a landlord," and the Chair ruled, "no conflict."

The motion was put to vote by the Chair and carried, and H.B. No. 245, HD 1, entitled: "A BILL FOR AN ACT RELATING TO DOMESTIC VIOLENCE," passed Third Reading by a vote of 51 ayes.

H.B. No. 457, HD 1:

Representative Saiki moved that H.B. No. 457, HD 1 pass Third Reading, seconded by Representative Awana.

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

"Thank you, Mr. Speaker. Ruling on a potential conflict. At my law firm I represent condo and community associations. Thank you," and the Chair ruled, "no conflict."

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

"Mr. Speaker, I need to request a potential conflict. I sit on a homeowner association. Thank you," and the Chair ruled, "no conflict."

The motion was put to vote by the Chair and carried, and H.B. No. 457, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ACT 326, SESSION LAWS OF HAWAII 2012, REPORTING REQUIREMENTS," passed Third Reading by a vote of 51 ayes.

H.B. No. 865, HD 1:

Representative Saiki moved that H.B. No. 865, HD 1 pass Third Reading, seconded by Representative Awana.

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

"Thank you, Mr. Speaker. I know it's late so I'm not going to belabor the point, but I'm standing to vote no on this measure because I believe that school land should be used for school purposes.

"Mr. Speaker, I gave all of the Members a copy of the memo that was given to me by Legislative Reference Bureau about a bill that I co-introduced with the Chair of Education a few years ago. That bill was not

enacted although a couple of years later the Senate liked it so much that they passed pretty much the identical bill. What it did was authorized the Department of Education to enter into financing agreements for public school facilities and established the Lease Payments for Schools Account.

"What this meant was you could do a public-private partnership similar to what the military has been doing to develop its new housing for the troops and you could do the same thing with schools, to develop the new schools on our school campuses.

"That Senate bill made it into law so the framework is already established, but the benefit of that process is it keeps school land for school purposes while improving the schools themselves. So, I oppose this present bill which could allow, even though it's very limited, very few number of schools, but it could allow development of school land for commercial purposes and I just don't believe that's the right way to go. Thank you."

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

"Mr. Speaker, in opposition. Mr. Speaker, if we obligate lease, sell, whatever to this land, once we do that we won't get it back, number one.

"Number two, I find it ironic and puzzling at the same time we're having a discussion about a universal preschool throughout the state which is going to require classrooms, we're also looking to sell classrooms. I wonder if the left hand is talking to the right hand. It is very puzzling. Also I would like to have the comments of the Representative from Kailua inserted as my own. Thank you," and the Chair "so ordered." (By reference only.)

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

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

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

"Mr. Speaker, in opposition. As previously noted, I have checked the DNA of the PLDC and it traces directly to this one. A no vote, please."

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

"Thank you, in support with reservations. I think it's a very worthy intent and we certainly need to fund our public schools. My main concern is just about some of the workability issues that might surround potential developments in the vicinity of the school and its property. But I think the bill has merits worth considering. Thank you."

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

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

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

"Thank you, Mr. Speaker. I rise in support. Thank you. The Committees, when they passed it out, they took out any references to Public Land Development Corporation. Any revenues generated will not go into a fund. It will not be linked to Hawaii Community Development Authority as the lead agency for redeveloping public school lands.

"But I'm sorry Members, it's late but there are so many people that stood up with reservations and opposition, I wanted to make sure we got some comments in the Journal. Basically, clearly our public school facilities, the age of them is such an important problem. Over 65 years of age. We have one school district over 260 schools. We understand now with what

employers want that we have to go into our schools, we have to bring in electricity and computers and our infrastructure and our schools, to make it a good learning environment we're going to have to upgrade our facilities and it's going to cost a lot of money.

"I think there's really good intentions behind this bill. The intentions being, how do we generate income and revenues. Because a lot of us don't want to raise the GE Tax, a lot of us don't like nickel-and-dime, a lot of us don't want to support gambling. So how are we going to do this?"

"Based on, what I think is a very creative idea, is to look at lands that are underutilized or not utilized that are in the inventory of public school lands, and then determine if in fact can we do some type of development that can incorporate a new school, what a new school would look like, but maybe also on the land we could do some other projects, and those projects may generate revenue. So the way the bill's written, that revenue goes into a special fund and those funds will then go into our public schools.

"I think the nice thing about the bill is that we made the Department of Education as the lead agency but we definitely realized they probably don't have commercial, retail, business plan expertise in house, so they are going to have the ability to consult with other state agencies or with the private sector to be able to develop these lands. I ask that my Colleagues move this forward and keep the discussion going.

"I know that the Senate has a different version on this. The way we wrote ours is that we would only authorize up to five projects, which would force the Department of Education to come back to the Legislature in the future and say, we have a program that really works and we want authority to do more. So, thank you very much for your time."

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

"Thank you very much, Mr. Speaker. I do know it's late and I'm sorry. Not to belabor the point, but let me address head on this question about this PLDC, and it was reference by the Representative from East Honolulu that you can kind of sense the DNA of PLDC in this bill. Well that's like saying you can sense the DNA of a kitty cat with a saber-toothed tiger, but I don't think anybody would confuse a cat with a saber-toothed tiger, Mr. Speaker.

"Here's the deal with this. If you don't support this, then you certainly don't support the concept of UH-West Oahu. In 2005, on this Floor we all voted unanimously, Mr. Speaker, both in the House and the Senate, to allow UH-West Oahu to develop for commercial purposes a portion of their land. As you all know, UH-West Oahu has about 500 acres, about 200 is going to be used for the school campus itself and the other 300 acres are currently zoned for various uses. In fact, Mr. Speaker, the UH-West Oahu campus is planning to apply to the City Council to allow them to use part of that land for a hotel. It can also be used for banking and other commercial uses.

"Here's the difference, the fundamental difference. I know sometimes some people will engage in inductive reasoning. Use deductive reasoning on this one, Mr. Speaker. It may have something to do with development. It may have something to do with public lands. It doesn't mean that it's PLDC.

"I'll give you a good example of how this would work. This bill only relates to the use of school lands. It can only be leased. You cannot sell it. There are no exemptions. As the Chair of Water & Land referenced, there is absolutely no relationship to the Housing Finance and Development Corporation. It requires the Board of Education to approve anything that goes forward.

"UH-West Oahu received no exemptions. It was a rigorous process, they had to apply for zoning, they had to apply for every building on that site and future buildings on that site like any other development project. I fail to see how this is PLDC. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker, I rise in strong support and ask that the words of the good Representative from Waimea as well as the Representative from Pearl City be entered into the Journal as if they were my own," and the Chair "so ordered." (By reference only.)

Representative Thielen rose to respond, stating:

"Thank you second time, I know, and still in opposition, Mr. Speaker. Mr. Speaker, a couple of answers. To the Chair of Water & Land, what can we do to improve the schools. Well, the military looked at that, what could they do to improve the housing for their personnel, for their troops? And they came up with the public-private partnership which has worked amazingly well throughout the island. We could do the same thing.

"And, Mr. Speaker, if I may ask, may the memo from Legislative Reference Bureau please be entered into the Journal. Thank you.

"The other, to the Chair of Education. When you're talking about West Oahu, 500 acres, that's a huge difference. Huge difference. When you're talking about a school campus and as my colleague from Ewa Bach noted, a school campus that soon will need to have junior kindergarten, pre-kindergarten classrooms on those campuses. When you're talking about that, that's a really small footprint compared to West Oahu, so that's really apples and oranges.

"The problem is, we need school campuses for school purposes. Leave PLDC out of it. Basically what we need are school campuses for school purposes. We do know tomorrow what the need will be for the junior-K. We don't know what other additional needs there will be 10 years, 15 years, 20 years down. But we don't want to lessen that school footprint and we don't want to turn it into a commercial structure on a school campus. Thank you."

Representative Thielen submitted the following:

Charlotte A. Carter-Yamauchi
Acting Director
Research (808) 587-0666
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LEGISLATIVE REFERENCE BUREAU
State of Hawaii
State Capitol, Room 448
415 S. Beretania Street
Honolulu, Hawaii 96813

February 15, 2013

MEMORANDUM

TO: Honorable Cynthia Thielen
Representative, 50th District

FROM: Terrence Lee *TL*
Research Attorney

SUBJECT: Public School Facilities Financing; Public-Private Partnerships

This memorandum responds to your request for information regarding legislation that facilitates public-private partnerships to finance public school facilities. Specifically, you wanted the Bureau to identify the following legislation introduced within the last ten years:

- (1) A bill you co-introduced with Representative Roy Takumi to facilitate public-private partnerships to finance public school facilities but that failed to pass the Legislature; and
- (2) A bill accomplishing the same purpose as the bill described in paragraph (1) and introduced and enacted in the year immediately following the year that the first bill was introduced.

Based on your description of the legislation, the Bureau believes that the bill you introduced with Representative Takumi was H.B. No. 800, 2005 (which you re-introduced via H.B. No. 2005, 2006), which:

- (1) Established a pilot project for the financing and construction of new school facilities through public-private partnerships;
- (2) Established the Public School Facility Financing Agreement Special Fund to provide funding to meet the obligations of public school facility financing

Honorable Cynthia Thielen

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agreements in cases where new school construction is not fully funded, and directed a portion of general excise tax revenues into the special fund; and

- (3) Specified that the use of certificates of participation to finance the construction of new public schools when new school construction is not fully funded shall not be paid out of the Department of Education's operating budget.

It also appears that the bill that you recall becoming law in the year following the introduction of your bill is S.B. No., 1820, C.D. 1, 2007, enacted as Act 220, Session Laws of Hawaii 2007, Act 220:

- (1) Authorized the Department of Education to enter into financing agreements for public school facilities, with the concurrence of the Director of Finance and the approval of the Attorney General as to form and legality; and
- (2) Established the Lease Payments for Schools Account within the State Educational Facilities Improvement Special Fund (now codified in section 36-32(b), Hawaii Revised Statutes (HRS)), for lease payments on new schools pursuant to Department of Education financing agreements.

The bills described in this memorandum are attached for your reference.

In addition, the Bureau notes the following Hawaii statutes that are relevant to your inquiry:

- (1) Section 302A-1506, HRS, authorizes the Department of Education to enter into contracts, leases, lease-purchase agreements, or other transactions to acquire public school facilities, including lands for the facilities, on terms that the department deems appropriate with the concurrence of the Director of Finance;
- (2) Section 302A-1508, HRS, establishes the Education Design and Construction Project Assessment Fund to defray the costs of Department of Education construction projects and associated costs, using moneys from assessments collected from the construction projects; and
- (3) Chapter 302A, Part VI, Subpart B (section 302A-1601 through section 302A-1612, HRS), establishes school impact fees for land developers to provide their proportionate share of the land and the construction cost of new or expanded school facilities needed to serve new residential developments.

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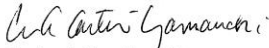
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If you have any questions or require further assistance, please contact me by phone at 587-0666 or by email at tlec@capitol.hawaii.gov.

APPROVED:



Charlotte A. Carter-Yamauchi
Acting Director

Enc.

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

"Thank you, Mr. Speaker. In support with slight reservations. The first thing I want to do is just say I think this is a very creative bill. I like the idea, I think it was a good idea that was brought up last year that was maybe filled with some other things that weren't so good.

"What I like particularly about this is that there is some opportunity for the community to give input and there's an opportunity to make sure that whatever is developed on those school lands will help education. I think particularly for my district, which I don't actually think that my district will make one of these five here, but we're always looking for new ways to make our schools better and I think this is a good opportunity.

"One thing in particular, we've been looking for a performing arts center for a very, very long time. So if this even an opportunity to possibly get that moving, I'd like us to continue to consider this. My reservations are just that I have not had the opportunity to fully vet this with my community. Thank you."

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

"Thank you, Mr. Speaker. In support. I'm one of those Representatives who voted against PLDC and the concerns that I had relating to PLDC was that it bypassed some city and county processes. It lacked community input. The third thing was it allowed PLDC to sell public lands.

"Those components are not in this bill and I would like to really thank the Water & Land Chair, the Education Chair and the Finance Committee members and the two respective Committee members for sitting through the long hearings and coming out with this draft. It's really due to the efforts of both the Water & Land Chair and the Education Chair to strip out portions of HCDA which actually had problematic language and which would have given them far more broad discretion over what to do with school property.

"As related by both the Water & Land Chair and the Education Chair, there are a lot of underutilized school facilities and school lands that we need to maximize. There are huge backlogs in repair and maintenance that we need to do which we just don't have a handle on. This is a creative way for us to kind of move forward and take care of our schools. So, thank you."

Representative Ward rose to respond, stating:

"Second time, speaking in opposition. Mr. Speaker, queuing off of the last speaker using the term underutilized schools really hit the button of the changing demographics of many of our districts. In fact, many of our districts now and in the future will be on this closure list. The small schools where actually classrooms are probably what they should be with 1 to 10 or 15 students per teacher are going to be probably pushed a little forward when the DOE comes and says that we're looking at your school possibly for closure.

"It happened in my district, it happened in Kalihi with Puuhale. If they find a higher and better use of your school than having the kids in it, DOE's got a list of school closure conferences for every year, this bill would be a perfect fit for that.

"Now I know we've eliminated references to the PLDC. I no longer have my right hand on my microphone but my finger prints are still there and this bill still has the finger prints of the PLDC.

"Second point. The human cry of America, the human cry of Hawaii is for better education. We've got to keep the schools fixed, but the issue is student achievement. There's an inverse correlation between money in the school and school achievement.

"So if we think because if we do this we're going to suddenly get bright kids coming out of it, I think we missed the point. There's not a correlation that does that. We have to keep safe schools but parental involvement is important. Good teachers with good teacher pay that have contracts,

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community involvement and then a safe and secure school is obviously important.

"But to say that this is the best way to already supplement the \$2 billion budget for DOE, I think is miss-focusing on what really the issue is and why we are again 34th in the nation. It's not because we haven't rented out school land or leased the land. It's because we haven't fixed the system of which now we're playing around on the edges. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and H.B. No. 865, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SCHOOL REDEVELOPMENT," passed Third Reading by a vote of 46 ayes to 5 noes, with Representatives Fale, Ing, McDermott, Thielen and Ward voting no.

H.B. No. 1130, HD 1:

On motion by Representative Saiki, seconded by Representative Awana and carried, H.B. No. 1130, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION," passed Third Reading by a vote of 50 ayes to 1 no, with Representative Ito voting no.

H.B. No. 373:

On motion by Representative Saiki, seconded by Representative Awana and carried, H.B. No. 373, entitled: "A BILL FOR AN ACT RELATING TO MAMMOGRAPHY REPORTING," passed Third Reading by a vote of 51 ayes.

At 7:19 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 245, HD 1
H.B. No. 457, HD 1
H.B. No. 865, HD 1
H.B. No. 1130, HD 1
H.B. No. 373

H.B. No. 1327, HD 1:

On motion by Representative Saiki, seconded by Representative Awana and carried, H.B. No. 1327, HD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE AGENCIES," passed Third Reading by a vote of 51 ayes.

H.B. No. 694, HD 1:

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

H.B. No. 1257, HD 1:

On motion by Representative Saiki, seconded by Representative Awana and carried, H.B. No. 1257, HD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Third Reading by a vote of 43 ayes to 8 noes, with Representatives Cheape, Fale, Fukumoto, Johanson, Kobayashi, McDermott, Thielen and Ward voting no.

H.B. No. 1287, HD 1:

Representative Saiki moved that H.B. No. 1287, HD 1 pass Third Reading, seconded by Representative Awana.

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

"Thank you, Mr. Speaker. I'm rising to cast a no vote on this and to please say a few comments, very much in opposition. Mr. Speaker, I was hoping that this bill would be recommitted. What it will do is allow any corner liquor store, any other operation that is selling a product where you need to be 18 or 21 to be able to buy the product and it's saying it doesn't

matter how old you look they're going to be able to scan your identification, which means your driver's license.

"In talking with computer specialists, computer gurus, they said for identity theft, the thief only needs four key pieces of information. Your name, your address, social security and your birth date. When the corner liquor store scans your driver's license, and this is everyone in this room, it doesn't matter, even though most of us look older than 21, it's for everyone in this room. You go in to buy a six-pack of beer and the corner liquor store scans your driver's license, they'll get three of the four pieces that they need for identity theft. That's a jackpot, according to the computer specialist.

"They say, how good is the security at the corner liquor store? Is that information going to be able to be grabbed by someone? It's going to be sitting on their server and we know how those get hacked into. So, on the social security number how many of you have been asked, well you now have it really in shorthand, how many of you have been asked 'last four of your social?' Macy's asks it, Oceanic, you call up on something, Hawaiian Telcom, any of them. 'Last four of your social?' They don't ask for your birth date, but they've got the last four. I was told by one of my colleagues tonight, I didn't even know this, that if a person knows your year of birth and where you were born they're going to know your first three numbers without much effort. That just leaves the two center numbers.

"So identity theft will be really spurred on by this measure where the corner liquor store and any other operation can scan your driver's license and keep that personal information. I talked to Dennis Kamimura, City and County, Head of the Licensing Division, and his first comment was, 'is that still alive?' meaning the bill. And I said, unfortunately.

"He told me that, and so did one of the computer specialists, told me that Hawaii already does something that makes it incredibly easy for a clerk in a liquor store to know whether or not you're a minor. They don't need to add or subtract. Now, given that it could be difficult for some to be able to say, okay you were born on this date now how old are you? They don't even have to do that. Most of us, all of us, in this room, have drivers licenses that are, I don't know what the term is, sort of perpendicular to the floor. This is the driver's license that we have. The city and county licensing bureau for minors issue what's called a portrait license, it looks like this. So number one, that clerk knows you have a license that read this way, that's a minor or could be.

"Dennis Kamimura also said, and I have a copy of it, right on the face of the portrait style license it says that you are 18, or you're not going to be 21, and it gives a specific date. 21st and then here it is, February 12, 2013, fine you're 21 on that date. It also has it for 18 right under it. So right now on your portrait license the clerk will be able to read right on the face of the license what's the actual date that person becomes 18, what's the actual date that person becomes 21. The rest of us, all of us in this room, have licenses that read this way and the clerk will know automatically, okay that person is an adult."

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

Representative Thielen continued, stating:

"So, it's such a dangerous bill. I know I'm getting rather heated about it but identity theft is ripe in this state, we know that. What this bill will do is say to any corner liquor store, scan the personal information. With the portrait driver's license we don't need to do that. We frankly don't need to do that. So I don't think the risk is worth it. And Dennis Kamimura of the City Licensing Division, I'm sure will be following this measure if it makes it over in the Senate and explaining to the Senators, why risk the identity theft? Why do this?

"And Mr. Speaker, last four of your social? You give it out a lot, you give it out a lot. So, when you go in to buy a six-pack, they'll know your full name, they'll know your birth date, they'll know your address. And then they call, get in to Macy's or Oceanic or the other systems, they'll know the last four of your social. That's no big deal, it's out there everywhere and they'll know if they find out where you are born, they

know your age, they'll know your first three, so they're home free. There's your identity theft. It's a bad bill and I would hope that we could recommit it. Thank you."

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

"Thank you, Mr. Speaker. In support. I almost regret my conversation with the Representative from Kailua earlier. Ideally the technology will be only where your date of birth will be given when you scan, if we have that capability technology wise.

"But while I was listening to the impassioned speech I went onto *Google* at *whitepages.com* and I inserted the name of the Representative from Kailua and right now we have her street address and her known associates, her telephone number. I didn't even ask but it gave us a map to her house. It has her age, which is not important, but she is a Virgo with an earth sign ruled by the planet Mercury. The only thing missing, Mr. Speaker, was a picture of a hemp leaf with a thumbs up sign. Thank you."

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

"Thank you, Mr. Speaker. In opposition and I think this is a measure where it offers very little benefit with a big risk. I just would like to point out that not every liquor store, according to this bill, is mandated to do it. So it's optional. However if I need to buy my booze I will do everything I can to avoid that liquor store that scans my driver's license. So there is some negative impact to certain businesses, Mr. Speaker. Thank you."

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

"Mr. Speaker, strong support. My support comes from, although I care about identity theft, but most markets are very concerned about getting their customers through. They invest a lot of money on these scanners and the scanner helps them catch these people who are under age. So I really think that we have to think about them. They spend a tremendous amount of money for this machine. Thank you, Mr. Speaker."

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

"Mr. Speaker, ruling on a conflict of interest. My wife owns a business that might be affected," and the Chair ruled, "no conflict."

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

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

"In support with reservations. While I do appreciate the concerns and I share them of the speaker from Kailua, also in deference to the speaker from Waikiki, if we're really serious about this we should look at restaurants where you give your credit card to a server, they disappear for a few minutes and come back with it. You'll find that many people have been victims of identity theft through that including our late Senator Daniel Inouye. Thank you."

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

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

The motion was put to vote by the Chair and carried, and H.B. No. 1287, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PERSONAL INFORMATION," passed Third Reading by a vote of 45 ayes to 6 noes, with Representatives Cabanilla, McDermott, Ohno, Oshiro, Thielen and Ward voting no.

H.B. No. 1443, HD 1:

Representative Saiki moved that H.B. No. 1443, HD 1 pass Third Reading, seconded by Representative Awana.

At 7:30 o'clock p.m., Representative Cachola 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., with Speaker Souki presiding.

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

Representative Cachola's written remarks are as follows:

"I am speaking in strong support of H.B. 1443 HD 1, the Hawaii Hurricane Relief Fund Bill. The intent of H.B. 1443 HD 1 is to prepare Hawaii in the event of a hurricane hitting Hawaii (God Forbid).

"In 1992 the destruction caused by Hurricane Iniki resulted in an estimated \$1,600,000,000 in insured property losses to various areas of the State. The HHRF was created under Act 339 immediately after Hurricane Iniki, to ensure that Hawaii property owners would have access to property insurance.

"To address this difficult situation, in 1994, I introduced what is now Act 32 which resulted in \$230 million in savings. Kauai Legislators, namely Representative Ezra Kanoho, Representative Bertha Kawakami and Senator Lehua F. Salling, who represented the hardest hit areas of Hurricane Iniki, strongly supported the HHRF policies. The HHRF set up a plan totaling \$1.6 billion to pay for property damage. This \$1.6 billion covered 2/3 of homes statewide. Now, it is estimated to only cover about 2000 homes statewide.

"Also, in 1996, I introduced H.B. 4142, which proposed an amendment to the State Constitution to authorize the HHRF to float revenue bonds to finance the \$1.6 billion. This required 2/3 votes of the House and the Senate. The House of Representatives passed this measure with all 51 members voting 'aye'. The Senate also passed this measure with all 25 members voting 'aye'. The proposed amendment was put on the 1996 general election ballot and 234,436 or about 64% of the voters were in favor of this measure.

"I have added a copy of the results from the 1996 Legislative voting in favor of H.B. 4142 as well, the results of the Constitutional Amendment, which the people of Hawaii voted to pass. The voice of the 1996 Legislature and voters were reflected in their support in favoring the funding of the HHRF.

"Now, today, another opportunity to fund the Hawaii Hurricane Relief Fund presents itself in H.B. 1443 HD 1. By updating the amount put into the relief's funds pool, we can prevent the scrambling and calling upon of the Members of this House to solve the problem in the middle of a hurricane crisis. Let us update the HHRF while we are in session, thereby saving taxpayers their hard earned money. It is incumbent on us to fund the Hawaii Hurricane Relief Fund and take care of the needs of the property owners of our State.

"H.B. 1443 HD 1 is still a bill in progress and we will clearly demonstrate the following:

1. This bill does not intend to set up an insurance company that would compete with the private insurance market.
2. This bill will not create an unfair competitive advantage that is not available to private insurers nor create a path to make the HHRF a major player on the insurance market.
3. The HHRF is only a back-up to protect Hawaii from a situation in which insurance companies, once again, run away from insuring Hawaii's property owners in the event another hurricane occurs.

"I ask you to please vote in support of H.B. 1443 HD 1."

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

Representative Say's written remarks are as follows:

"Mr. Speaker, I would like to state my opposition to H.B. 1443, HD 1, Relating to the Hawaii Hurricane Relief Fund.

"On page 4, Section 2, lines 13-15 of the bill, there is discussion of HHRF acting as a private entity. This particular language could jeopardize the tax exempt status of HHRF, which is based on HHRF being seen by the IRS as an integral part of the State of Hawaii.

"Section 5, page 7 of the bill reactivates the special mortgage recording fee. Members of the House please understand that the HHRF has no staff and cannot process the fee. Also note that this reactivation will impose administrative burdens on the Bureau of Conveyance.

"It is for these reasons that I oppose this measure and hope that if it passes, that corrective actions will be made to address the concerns mentioned above.

"A VOICE OF REASON."

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

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

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

Representative Fukumoto's written remarks are as follows:

"Mr. Speaker, I stand in opposition to House Bill 1443 HD 1, which authorizes the Hawaii Hurricane Relief Fund to conduct itself as a private entity to participate in the insurance market.

"Initially, this idea was worth consideration because it fulfilled the Legislature's promise to recapitalize the Hurricane Relief Fund, returning the monies taken in previous sessions. It also appeared to be a creative approach that deserved further consideration by the Legislature.

"However, a full review of the consequences of the measure revealed that the measure also reactivates the mortgage fee previously assessed on every mortgage issue. When active, the fee was 1/10th of 1 percent, which ends up significantly increasing the cost of housing, particularly when homes are running an average of \$700,000 or more in my district.

"While I still support recapitalizing the Hurricane Relief Fund, we must do it without increasing costs to homebuyers. Thank you, Mr. Speaker."

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

Representative Fale's written remarks are as follows:

"Mr. Speaker, I rise in opposition to House Bill 1443, HD 1. According to the bill description, this bill 'authorizes the Hawaii Hurricane Relief Fund to conduct itself as a private entity to participate in the insurance market. Reactivates the special mortgage recording fee. Replenishes the Hawaii Hurricane Relief Fund.'

"Lloyd Lim, the acting Director of the Hawaii Hurricane Relief Fund (HHRF) submitted the following testimony regarding problems with the language of the bill:

'In Section 2 of the bill at page 4, lines 13-15, there is discussion of HHRF acting as private entity. This language could jeopardize the tax

exempt status of HHRF which is based on HHRF being seen by the IRS as an integral part of the State of Hawaii. In addition, we do not think this language is necessary to achieve HHRF's goals.'

'Section 5 of the bill at page 7 reactivates the special mortgage recording fee. We note that HHRF has no staff and cannot process the fee. Also, please note that this reactivation imposes administrative burdens on the bureau of conveyances.'

"Mr. Speaker, in addition, Alison Powers of the Hawaii Insurers Council submitted testimony in opposition to the HB 1443. Powers commented that, the Hawaii Insurers Council opposes this bill. This bill authorizes the Hawaii Hurricane Relief Fund (HHRF) to compete with the personal lines hurricane insurance market. This bill also provides HHRF with certain advantages not available to the private market including, funding from state appropriations, funding from the special mortgage recording fee, and politically controlled rates either through a rate reduction or maintaining them at their existing level when the HHRF has secured from the federal government, financial institutions and/or the issuance of revenue bonds in an amount to be determined by the legislators.'

"For these reasons Mr. Speaker, I rise in opposition to House Bill 1443, HD 1."

The motion was put to vote by the Chair and carried, and H.B. No. 1443, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII HURRICANE RELIEF FUND," passed Third Reading by a vote of 27 ayes to 24 noes, with Representatives Carroll, Cheape, Choy, Coffman, Cullen, Fale, Fukumoto, Hanohano, Har, Hashem, Ichiyama, Ito, Johanson, Jordan, Kawakami, McDermott, Oshiro, Say, Takayama, Thielen, Tokioka, Tsuji, Ward and Yamashita voting no.

At 8:10 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 1327, HD 1
H.B. No. 1257, HD 1
H.B. No. 1287, HD 1
H.B. No. 1443, HD 1

At 8:10 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 8:11 o'clock p.m.

END OF CALENDAR

UNFINISHED BUSINESS

Representative Belatti, for the Committee on Health, presented a report (Stand. Com. Rep. No. 908) recommending that H.B. No. 903, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 903, HD 2 pass Third Reading, seconded by Representative Awana.

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

"Thank you, Mr. Speaker. Very strong reservations on this. I had wished that we could have fixed it in the last Committee. There are some concerns about the fees and Ag lands, so with that I will just express my strong reservations. I hope we can fix it. Thank you."

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

"Thank you, Mr. Speaker. In support with serious reservations. I would just like the words of the previous speaker entered in the records as if they were my own," and the Chair "so ordered." (By reference only.)

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

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

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

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

"Thank you, Mr. Speaker. Strong reservations. This has an impact to cultivated agriculture and it's going to ask for additional fees and requirements for the farmers. Thank you."

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

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 903, HD 2, entitled: "A BILL FOR AN ACT RELATING TO WATER POLLUTION," passed Third Reading by a vote of 43 ayes to 8 noes, with Representatives Cheape, Fale, Fukumoto, Har, Johanson, McDermott, Thielen and Ward voting no.

At 8:14 o'clock p.m., the Chair noted that the following bill passed Third Reading:

H.B. No. 903, HD 2

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 917) recommending that H.B. No. 411, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 411, HD 2 pass Third Reading, seconded by Representative Awana.

At 8:15 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 8:17 o'clock p.m.

At this time, Representative Fale offered Floor Amendment No. 6, amending H.B. No. 411, HD 2 as follows:

"SECTION 1. House Bill No. 411, H.D. 2, section 2, is amended by deleting lines 1 to 4 on page 5.

SECTION 2. House Bill No. 411, H.D. 2, section 2, is amended by inserting the following starting on line 1 on page 5:

"(b) A religiously affiliated hospital or a hospital legally bound by a religious or ethical directive may choose not to participate in the requirements of subsection (a) and instead shall provide emergency care to a sexual assault survivor by providing medically appropriate transportation in a timely manner to another health care facility or provider of the sexual assault survivor's choice. The religiously affiliated hospital or hospital bound by a religious or ethical directive shall be responsible for the costs associated with transportation to the health care facility or provider of the survivor's choice. A hospital that is exempt under this subsection shall inform the sexual assault survivor that she will not be held responsible for the costs associated with transportation to the health care facility or provider of the survivor's choice."

Representative Fale moved that Floor Amendment No. 6 be adopted, seconded by Representative McDermott.

Representative Fale rose to speak in support of the proposed Floor Amendment, stating:

"Mr. Speaker, I rise in support of Floor Amendment Number 6. I rise in support of this amendment because it is a genuinely fair compromise being offered to the proponents of this measure. Before I get started, I want to be clear that I support House Bill 411 as the intent of the bill is certainly commendable. No woman should ever have to be subject to the horrific crime of rape and it is clear that we need protections to be made for the most vulnerable members of our society.

"I am proposing this Floor Amendment and wish to insert this exemption or conscience clause, Mr. Speaker. For a moment I'd like to talk about the conscience part of the conscience clause. As a young soldier serving in the Middle East, one of the first cases that landed on my desk was of a soldier that belonged to my own unit who had died in theater. Shortly thereafter, two other cases followed. They were two soldiers, one 18 and one 22. Shortly thereafter came another case of a soldier who wanted to abandon his military service under the conscientious objector clause.

"In the United States military, once you feel that you can no longer be part of the military because you conscientiously object to being part of the military or participating in combat, the military allows you to leave. I flew into a rage, Mr. Speaker, because how could a soldier who had taken an oath, who had received the investment of thousands of dollars, abandon his brothers and sisters in combat."

Representative Hashem rose to a point of order, stating:

"Mr. Speaker, point of order. The bill that addresses emergency contraceptives, not the war in Iraq."

The Chair addressed Representative Fale, stating:

"Representative, if you can stick to the measure, please."

Representative Fale continued, stating:

"I'm directing my remarks directly regarding the conscience part of the amendment which I am proposing, which I believe this is very relevant to.

"Now the reason why this is important is, is I also have a neighbor, who because of their religious beliefs, would never take up arms to defend this country or anybody with the use of violence.

"Now, Mr. Speaker, the reason why we do that is because the foundation of this nation was we believe in protecting the conscience of the people who live here. And we will go to any measure because of the sacred nature of our conscience.

"Now I, after the incident, I sat down with my commanding officer and we had a long conversation about what exactly it means to be in the United States Military and what it means to protect those who have a certain belief and who possess a conscience that may be contrary to what I may believe.

"I am proposing this Floor Amendment which offers a compromise, a compromise, Mr. Speaker, by simply requiring hospitals under a religious mandate to stabilize the rape victim and to transport that victim the nearest hospital or a hospital of the victim's choice and to pay for that transportation. This compromise is not unusual or novel. In fact it occurs every day at our hospitals when a patient is brought into a hospital. It is called triage, Mr. Speaker. Often when a patient is brought into a hospital, he or she will be transported immediately to another hospital after being stabilized because the patient's injuries requires specialized medical treatment which the hospital to which the patient is transferred is able to address.

"Mr. Speaker, this Floor Amendment goes above and beyond the concept of triage by requiring the hospital under a religious mandate to pay for transportation costs to the nearest hospital or a hospital of the victim's choice, where the emergency contraceptive can be administered. This

amendment puts the onus on the hospital to pay for the transportation cost of the victim which does not usually occur with triage."

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

Representative Fale continued, stating:

"Therefore, this represents a good faith compromise, Mr. Speaker. This good faith compromise allows us to care for the needs of the victim as well as protecting the sacred conscience, which I believe this nation was founded on protecting. For these reasons, Mr. Speaker, I stand in support of this reasonable and very fair compromise and ask my colleagues to do the same. Thank you."

Representative McDermott rose to speak in support of the proposed Floor Amendment, stating:

"Mr. Speaker, I rise in support of the amendment. Thank you. Mr. Speaker, the First Amendment states, 'Congress shall make no law respecting an establishment of religion.' We do a good job in that regard. Can't even say a prayer at a high school graduation. We're pretty diligent about that. 'Or prohibiting the free exercise thereof.' There's a comma after 'establishment of a religion' comma 'or prohibiting the free exercise thereof' another comma. It means it's an independent thought, Mr. Speaker. This is the First Amendment. It's germane to the bill, trust me.

"The wall of separation must be high and impenetrable. Mr. Speaker, we're intruding into religious oriented hospitals or hospitals that operate under religious directives. We're intruding because they offer their services not just to their own believers of their own flock, but to everyone. They're being penalized because they offer care to everyone. If they only offered it to people of their own faith we wouldn't be having this discussion. But because they open it up as a ministry, we're penalizing them. We're telling them, your beliefs don't matter.

"You're going to hear, Mr. Speaker, that there's 200 Catholic hospitals nationwide that do this. Well I looked into it. They don't do it because they want to and I don't even know if the number 200 is right, but I know hospitals in Massachusetts and Wisconsin and Connecticut were victims of their state legislatures just like we're going to be attacking religious institutions today.

"Mr. Speaker, this amendment is good because it's going to disabuse me of this notion. It's going to disabuse me of the notion that we're going after religious orientated caregivers. Why do I have that notion. The reason I have that notion was Planned Parenthood in their testimony said, in 2010 they did a survey. 26 emergency rooms, 23 of them gave emergency contraception. That means there were 3 in 2010 that didn't, 2 of them are now closed. That's one hospital in the entire state and one more that might open up.

"That's why this measure's here, because somebody who doesn't even live out there wants to make St. Francis West, which would be the new Queen's West, do this. Even though they have covenant with the nuns when they sold them the property or the agreement they entered into that they would abide by Catholic healthcare directives.

"So this underlying measure, now if we pass the amendment I'm wrong. You've disabused me of the notion. But that is why we need the amendment.

"Mr. Speaker, if you talk to an ambulance driver, as I did, you ask him, on Oahu anyway, where do you take them? Well we take them to Kapiolani or Queen's trauma center if they've been beaten up and badly abused. Mr. Speaker, this bill is not needed. Currently, based on Planned Parenthood's own testimony, there's only one place in this state that doesn't offer it. And we're going to pass a piece of legislation because we don't like the way they think. They believe in some fairy dust, some spooky stuff. Mr. Speaker, it is Catholic doctrine and I'll speak to it later. Thank you, sir."

Representative Belatti rose to speak in opposition to the proposed Floor Amendment, stating:

"Thank you, Mr. Speaker. I rise in opposition to this Floor Amendment as impractical. Thank you, Mr. Speaker. Again, I oppose this Floor Amendment as impractical and far more traumatizing to the sexual assault victim whom this bill intends to protect as a general matter. The interactions immediately following the assault are critical. The transfer to another facility or provider could further traumatize a victim and have a number of adverse effects.

"This proposed amendment does not fully consider the consequences of transport and should be opposed. Transportation in a timely manner does not satisfy the urgency required in these circumstances and it does not guarantee that the survivor will receive the medications within the recommended time period according to best accepted practice.

"Pregnancy prevention is a time sensitive issue as emergency contraception is most effective when taken within 72 hours following an assault. In some cases a survivor may present at a hospital where there is simply no time to ensure the safe transfer of a patient to another facility to obtain emergency contraception.

"The proposed amendment provides only for transportation to another facility or provider. It does not make any provisions for the survivor to get back from that other facility or provider. In this session when we were talking about the potential privatization of our neighbor island hospitals, this becomes a very important financial aspect that we need to consider. A survivor could be taken miles from their home, across oceans, away from their communities, and have no physical or financial means to get back.

"The proposed amendment does not ensure that the patient will be taken to a facility or provider who can and will provide the emergency contraception upon arrival, hence, you could have a sex assault victim bounced from emergency room to emergency room.

"If a registered patient is transported from one hospital emergency department to another hospital emergency department, there will be financial consequences in addition to the cost of transportation. A patient cannot be registered and billed for emergency services in two emergency departments on the same day for the same presenting issue, which in this case would be the administration of emergency contraception. For these reasons, Mr. Speaker, I oppose this amendment and urge my colleagues to oppose it as well. Thank you, Mr. Speaker."

Representative Fukumoto rose to speak in support of the proposed Floor Amendment, stating:

"Thank you, Mr. Speaker. In support. Currently only about one-third of the states have a law on emergency contraceptives and 13 of those states do allow health care providers to refuse to provide services. Now, 3 of those states are not particularly conservative states. Washington State provides a conscience clause that states that no individual health care provider, religiously sponsored health care carrier or health care facility may be required by law or contract in any circumstances to participate in the provision of or payment for a specific service if they object.

"Maine also states that, no private institution or physician or no agent or employee of such an institution or physician shall be prohibited from refusing to provide family planning services when such a refusal is based upon religious or conscientious objection.

"Finally, Illinois has the exact same conscience clause that we're discussing right now that requires hospitals that refuse to provide emergency contraception to transfer those patients to another facility. So I do believe that there is precedent that this can work. It allows people to refuse.

"On a more personal note, Mr. Speaker, I have actually taken people to the hospital here in Hawaii and had them be refused. And it is a very, very horrible experience, I don't think anybody's doubting that. But at the end of the day we do need to protect religious freedom and we do also need to protect our rape victims. I think this is a very good way to go about doing

it. That hospital where this person was rejected was not a religious hospital, they just simply did not have the time to treat her.

"So I think if we have the opportunity to put a measure through that will get those hospitals who do not object to make sure that they follow a good plan and take care of our victims properly, then we can afford to put in a clause like this that's going to take care of those hospitals that do have concerns and they will be responsible to make sure the patients get good, compassionate care. Thank you."

Representative Ward rose to speak in support of the proposed Floor Amendment, stating:

"Mr. Speaker, I rise in support of the amendment. I don't believe we should make Jews eat pork or make Muslims agree to same sex marriage. I think that's their freedom to be who they are. So what's wrong with letting Catholics be Catholics. That's why they put it in the Constitution, the freedom to worship, the freedom to act out your faith in action.

"Mr. Speaker, this is a reasonable compromise and those who have been here for the last 20 years know that this is déjà vu all over again. We go through this every year and both sides are so intractable, so unmoving and so uncompromising. And today is another reasonable compromise. I commend the Representative from Laie who has come up with something entirely different that over the last many, many session debates we never had this one where you basically give them triage and then you send them on to the next one. This is a reasonable compromise, Mr. Speaker.

"But this is also being fought on the national level between the Catholic Church and the Obama Administration regarding the same issue. Mr. Speaker, this is one way we can solve it at the local level. Thank you."

Representative Har rose to speak in support of the proposed Floor Amendment, stating:

"Thank you, Mr. Speaker. In support of the Floor Amendment. Just briefly, I'm trying to give a different perspective here. As the Representative of the 42nd District we do have one hospital that serves our constituency on the west side and it was an absolute travesty when HMC West went defunct. So many of our constituents on the west side were really in peril given the fact that we did not now have an emergency care facility servicing people in West Oahu.

"That being said, Mr. Speaker, I have grave concerns about the current measure and that's why I am supporting the Floor Amendment, because of the ramifications that the underlying bill could have upon the opening of Queen's West. Understanding the fact that there are restrictive covenants that run with the land, and yes, there are arguments that can be made but we are talking also about First Amendment issues.

"So, we don't want to see this bill struck down. This is a good measure. But all we're asking for, for those of us from the west side, we have concerns because if in any way this law impedes the opening of Queen's West, this would again hurt the residents of West Oahu. For those reasons, Mr. Speaker, I support this amendment. Thank you."

Representative McDermott rose to respond, stating:

"Mr. Speaker, still in support. Mr. Speaker, this is a constitutionally protected right. In this Body we often hear about all sorts of rights, imagined rights, created rights, all sorts of rights all over the place that are never found anywhere.

"Here's one clearly articulated with two commas, which means it's an independent thought, it stands on its own, Mr. Speaker. And then someone said, well for the greater good we'll toss that aside, the greater good. God forbid that your rights would inconvenience someone else, but boy oh boy, I see a lot of imaginary rights around this place and here's a real right that's right there.

"We don't need to confuse the horrific crime of rape and abuse and molestation and everything else and trample on someone's rights. On Oahu you're talking about a 15 minute ride. I mean that's what you're talking about. As a matter of course, the ambulances don't even take them there

right now. But this is targeted. This amendment will disabuse me of the notion, if we pass it, that this is targeted at the new hospital that's going to open on the west side, as I believe that's what it does.

"I will save my comments. Mr. Speaker, at the appropriate time I would like to ask for a roll call vote. Thank you."

At this time, Representative McDermott requested a roll call vote.

The Chair then Stated:

"There has been a call for a roll call. Clerk, can you check if there are enough votes for a roll call. All those in favor of the roll call, please raise your right hand. Clerk, is there a sufficient number?"

The Clerk then stated:

"Mr. Speaker, we count only 7."

The request for roll call was put to vote by the Chair and upon a show of hands, the request was denied.

Speaker Souki: "You are short, the motion dies for a roll call. So going to the main action now."

The motion that Floor Amendment No. 6, amending H.B. No. 411, HD 2, entitled: "A BILL FOR AN ACT RELATING TO HOSPITAL EMERGENCY COMPASSIONATE CARE FOR SEXUAL ASSAULT VICTIMS," be adopted, was put to vote by the Chair and upon a voice vote, failed to carry, with Representative Belatti voting no.

(Main Motion)

At this time, Representative McDermott offered Floor Amendment No. 7, amending H.B. No. 411, HD 2 as follows:

"SECTION 1. House Bill No. 411, H.D. 2, section 1, is amended by deleting lines 12 to 14 in their entirety and line 15 partially, so that the last paragraph on page 1 reads as follows:

"The provision of emergency contraception to sexual assault victims is the most widely recognized and accepted standard of care for sexual assault victims. The American Medical Association and the American College of Obstetricians and Gynecologists have stated that sexual assault victims should be informed about and provided emergency contraception. However, a 2010 survey of emergency facilities in Hawaii revealed a lack of clear policy on the issue."

SECTION 2. House Bill No. 411, H.D. 2, section 2, is amended by renumbering §321-B (d) to §321-B(e) at line 10, page 5.

SECTION 3. House Bill No. 411, H.D. 2, section 2, is amended by inserting the following at line 10, page 5:

"(d) This section shall not require any individual to discuss, perform, or assist in the discussion or performance of any part of the activities required herein if such discussion or activity would be contrary to the individual's religious beliefs or moral convictions."

Representative McDermott moved that Floor Amendment No. 7 be adopted, seconded by Representative Ward.

Representative McDermott rose to speak in support of the proposed Floor Amendment, stating:

"Thank you, Mr. Speaker. As promised I did not speak most of the day and that was as a courtesy to you sir, because I knew that I'd be talking here on this one, so I saved my energy.

"Mr. Speaker, the amendment, if you go to the first page, removes lines 12 through 15, essentially. 'Emergency contraception is not an abortion pill nor does it cost any abortive process to take place.' That's an inaccurate statement, Mr. Speaker. Well, it's only inaccurate if you believe the FDA labels. Of course, the FDA could be in a conspiracy against me, I don't

know but I doubt it. 'Emergency contraception is a safe and effective means of preventing pregnancy after a sexual assault.'

"Mr. Speaker, in this bill we are unilaterally redefining the meaning of pregnancy. We are stating an absolute and definitive position of something that is not agreed to by entire society. A major problem in this debate is the manipulation of terms and we hear the manipulation of language all day long, particularly in politics. People change words to mean different things and when the term no longer has a good meaning they change it. I could give you examples but they'd be inflammatory and wouldn't build any good will, so I'm not going to do it.

"The American College of Obstetricians and Gynecologists and abortion advocacy groups, long ago endorsed a change in definitions of conception and pregnancy to confuse the issue instead of equating conception with fertilization and seeing the woman as pregnant if her body contains a living, developing embryo. They now equate conception with pregnancy and with implantation of the embryo. In short, it used to be as soon as you conceived, you were pregnant. Now that's not the deal anymore. You can conceive, but until it gets implantation you're not pregnant. As to assume that there's actually some value to the fertilized egg that's implanted, because the same people are saying, well it's okay to abort that.

"The problem here, Mr. Speaker, is if we call them pregnant. Mr. Speaker, if we call them pregnant, then you can't use this drug because the hospitals are protected by conscience clause federally. That's why Catholic hospitals don't do abortions. So to change the language so this isn't classified as an abortifacient, we say, well you're not pregnant now until you're implanted. That's new to me, Mr. Speaker. I didn't even know that until two weeks ago when I started digging here. I always thought life begins at conception. Well it does and if somebody can prove to me that life doesn't begin at conception, I'll walk out right now, I'll turn in my keys. But you can't.

"But, Mr. Speaker, it's not just me who believes pregnancy begins at conception. Webster's Dictionary, and I quote, 'process of human gestation that takes place inside the female's body as the fetus develops from fertilization to birth.' You all got your computer go ahead and *Google* it, Webster's Online Dictionary, pregnancy. That's what it says."

The Chair addressed Representative McDermott, stating:

"Representative McDermott, will you please stick to the amendment. The language that you have in the bill, please."

Representative McDermott continued, stating:

"Well I am talking about the amendment. I did look away which was out of order. But pregnancy, well the language in the amendment, we are changing the way we define pregnancy, Mr. Speaker, unilaterally. It's not a commonly held term and it's only being put forward by the pro-abortion advocates. Mr. Speaker, I've heard of the immaculate conception, but I have yet to hear of the immaculate implantation."

The Chair then stated:

"Representative McDermott, the issue is making an exception. You're speaking to make an exception to the hospitals that they would want an exception from the bill from the main measure."

Representative McDermott continued, stating:

"No I'm not, Mr. Speaker. I'm speaking on the amendment which removes the language that defines pregnancy as what it's not. That's the amendment."

At 8:45 o'clock p.m., Representative McDermott requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 8:47 o'clock p.m.

Representative McDermott continued, stating:

"Mr. Speaker, the point of this whole exercise here, is to say that emergency contraception, I'm amending this to take this language out. That's the amendment. And I'm explaining the reason why I'm taking it out. It's not contraception because people believe that they're pregnant.

"But let's go on to religious exemption because I seem to have struck a nerve there. Mr. Speaker, why should people, now this is individuals, now we're talking about individuals, not institutions, Mr. Speaker. We're talking about individuals who request a religious exemption. I'm thinking about the new facility, the old St. Francis West, whatever you call, out there in Ewa Beach.

"I'm thinking about a first generation immigrant who is a nurse, or a nurse's aide who is working there, and she doesn't know our country very well but she is a devout Catholic. I can see her in my mind's eye, Mr. Speaker. And she doesn't want to do this but she's not told she can't and there's no religious exemption for her. So she has a choice. She could violate her faith and do this. And the reason she violates her faith, Mr. Speaker, is because the Catholic Church says life begins at conception and that's the doctrine."

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

Representative McDermott continued, stating:

"That's the doctrine. So there's no religious exemption for the institution. We've just thrown that away. So now we're asking for a religious institution, a conscience exemption for an employee who works there, says I don't want to do this. We can't even do that, Mr. Speaker.

"We've got the United States Constitution that guarantees us free exercise of religion, we can't do that. Oh, we're told in the hearings, oh you can go to the EEOC and file a complaint. Like a first generation American, English is her second language, even knows what the EEOC is or where it's located? They're not going to do that, Mr. Speaker, they don't want to jeopardize their job. They've got to pay their bills.

"But in our arrogance, in our hubris, we know what's better for them. We're going to tell them what to do, when to do it, we're going to redefine pregnancy, we're not going to give them a conscience clause and we're going to step on their religious freedom, their liberty."

The Chair then stated:

"Representative McDermott, you need to get to the exception that you requested."

Representative McDermott continued, stating:

"Well I'm talking about the conscience clause, Mr. Speaker. That we're not giving it to them and that's in here. The bill is talking about a conscience clause. We did not give the institution, now we're giving it to the person. If you work in a facility and you don't want to do it, why must you participate in this activity when you have all sorts of rights manufactured, made up, all over the place. We debate them all the time. Here's one explicitly guaranteed in the Constitution and we will not, will not do it because political correctness is the new fascism of the day, we're being swallowed alive by it. Thank you."

Representative Har rose to speak in support of the proposed Floor Amendment, stating:

"Mr. Speaker, just briefly in support. Mr. Speaker, for the same reasons, I have concerns, again without understanding what the underlying bill, what the impact would be to the new Queen's West Hospital and to the residents of West Oahu. I support the Floor Amendment.

"But finally, Mr. Speaker, at the beginning of session, the Majority touted bipartisanship and reaching across the aisle to work with our Minority colleagues. Here we've had Floor Amendments introduced by the Minority which represent compromise and working across the aisle. Yet it seems as if the term 'bipartisanship' may have been lip service and used for convenience sake. Here we have the opportunity to show the spirit of true bipartisanship."

The Chair addressed Representative Har, stating:

"Representative, that's not quite appropriate."

Representative Har: "Point of personal privilege, Mr. Speaker."

Speaker Souki: "That's going beyond personal, but please proceed."

Representative Har continued, stating:

"So, Mr. Speaker, in the spirit of compromise we can make a great bill even better. Accordingly, in the spirit of good faith, compromise and true bipartisanship I ask my colleagues to support the Floor Amendment. Thank you."

Representative Ichiyama rose to speak in opposition to the proposed Floor Amendment, stating:

"Mr. Speaker, I understand the hour is late. I just would like to rise in opposition and I'll reserve my comments for written comments for the Journal, but I did want to note that there is opposition to the Floor Amendment. Thank you."

Representative Ichiyama's written remarks are as follows:

"Mr. Speaker, I rise in opposition to Floor Amendment #7.

"Floor Amendment #7 would insert a clause into HB 411 HD 2 that would exempt certain individuals and organizations from providing emergency contraception because of their religious beliefs. A hospital's religious objection must not precede a rape survivor's access to timely and comprehensive treatment. After experiencing one of the most traumatic events imaginable, survivors deserve access to high-quality, standard care that includes access to emergency contraception.

"Several hospitals in Hawaii currently refuse to offer information about or provide emergency contraception to sexual assault survivors. It is unconscionable that Hawaii women would be denied information and access to emergency contraception after going through the unimaginable trauma of rape. Regardless of religious affiliation, emergency rooms are ethically and morally obligated to offer the best care available. Provision of emergency contraception is the accepted standard of care for rape survivors and religious objections cannot be allowed to stand against the urgent needs of the victim. This amendment would have serious consequences by allowing hospitals to choose their own standards for treating rape survivors, resulting in inconsistent treatment.

"For these reasons I am in opposition to Floor Amendment #7 and urge my colleges to also vote no."

Representative Belatti rose to speak in opposition to the proposed Floor Amendment, stating:

"I also rise in opposition, but because the hour is late and I know that there's further debate I will also submit written comments. Thank you."

Representative Belatti's written remarks are as follows:

"I rise in opposition to Floor Amendment No. 7 to House Bill 411, House Draft 2.

"First, removal of the language in the purpose section of House Bill 411, House Draft 2 does not comport with what is known and widely accepted about emergency contraception within the medical and scientific community. As explained by Dr. Sandra Reznik, associate professor at St. John's University in New York, in her 2010 article entitled 'Plan B: How it Works,' science shows that emergency contraception is 'not an abortifacient' and that Levonorgestrel or Plan B is 'by wide agreement within the scientific community, the most effective emergency contraceptive agent available.'

"Dr. Reznik's article is attached here as further support for the statement in the purpose section that the Floor Amendment seeks to remove. Second, the religious exemption sought for individuals by the Floor Amendment is unnecessary insofar as federal constitutional provisions currently provide

and require reasonable accommodations by an employer for an individual's religious beliefs."

Representative Belatti also submitted the following article:



EMERGENCY CONTRACEPTION

'PLAN B:' HOW IT WORKS

Science shows it is not an abortifacient

BY SANDRA E. REZNIK, MD, PH.D.

Emergency contraception, that is, any of a number of methods to prevent pregnancy after coitus, has become more effective and certainly easier to obtain in recent years. Levonorgestrel, also known as "Plan B," is, by wide agreement within the scientific community, the most effective emergency contraceptive agent available and, for women 18 or older, can now be obtained without a prescription. Confusion about this agent's mechanism of action has fueled debate among some non-medical people, however: Does Plan B act only as a contraceptive or also as an abortifacient?

There is abundant evidence, on the other hand, that levonorgestrel affects pre-implantation events. There are two mechanisms whereby contraceptives prevent fertilization. One is by preventing the union of sperm and oocyte through the introduction of an obstacle impeding that union. The other is by inhibiting ovulation. Several investigators have shown that Plan B in fact causes thickening of cervical mucus, thereby decreasing the number of sperm able to enter the cervico-uterine canal and ultimately able to reach the oocyte.⁶

Unfortunately, there has not been adequate emphasis on how Plan B differs from the emergency contraceptive agents that preceded it, and scientifically unsupported wording on its package insert has increased misconceptions about how Plan B works. Unlike its predecessors such as mifepristone (also known as RU486), levonorgestrel acts to prevent pregnancy before, and only before, fertilization occurs.

The purpose of this article is to review the evidence for how levonorgestrel prevents pregnancy.

We know that several events must occur for a pregnancy to begin and then to be maintained. Sperm must enter the cervix and travel up the uterine canal to the fallopian tube, which is the site of fertilization. An egg cell, or oocyte, must be released from the ovary by a process known as ovulation, and a sperm cell must unite with the oocyte by the process known as fertilization. Finally, the fertilized oocyte must develop into an early embryo, known as a blastocyst, and become implanted in the uterus. So entrance of sperm into

the cervix and ovulation precede fertilization, whereas development of the blastocyst and implantation follow it.

The debate surrounding Plan B, therefore, is focused on whether this agent affects only ovulation and the entrance of sperm into the cervix, i.e. pre-fertilization events, or if it also affects the development of the embryo and implantation, i.e. post-fertilization events.

To begin with, levonorgestrel is an artificial progestin — a synthetic compound with a structure and function similar to the female hormone progesterone. Progestin helps to make the uterus more receptive to implantation and helps maintain pregnancies.¹ Biologically, the concept of a synthetic progestin rendering the endometrium less receptive to implantation, and thereby acting as an abortifacient, is completely illogical.

Nevertheless, changes in the endometrium after exposure to levonorgestrel were examined in animal studies. Neither the rat² nor the new-world monkey³ demonstrated any endometrial changes consistent with decreased

receptiveness to implantation. Similar results were found in an *in vitro* study that tested the effects of this agent on endometrial cells growing in culture medium.⁴ Finally, a human tissue study showed only minimal changes of the endometrium resulting from exposure to levonorgestrel.⁵

It is virtually undisputed that levonorgestrel prevents ovulation. Ovulation is always preceded by a characteristic spike in production and release of luteinizing hormone, an anterior pituitary hormone that stimulates the ovary. Studies⁶ have shown that Plan B suppresses the hypothalamus and pituitary glands and thereby wipes out the so-called luteinizing hormone surge. Without that hormonal surge, ovulation does not occur.

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FERTILIZATION BY THE NUMBERS

5 DAYS
Sperm remain viable inside the female reproductive tract for at least five days.

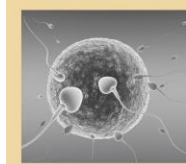
OVULATION
The egg cell (oocyte) is released each month midway through the menstrual cycle.

Plan B is ineffective after this point.

1-2 DAYS
Once released, the oocyte survives for one to two days.

FERTILIZATION
If sexual intercourse takes place up to five days before ovulation or within two days after, both sperm and oocyte are viable and the egg cell can be fertilized.

7 DAYS
The fertilized egg cell (zygote) takes one week to transform into an early embryo (blastocyst) and become implanted in the endometrium that lines the uterus.



Before I address the issue at the center of questions some non-medical people have about Plan B, namely, whether this over-the-counter pill prevents implantation of the early embryo in addition to inhibiting ovulation, I need to mention a few biological facts about human reproduction:

■ The oocyte, released each month midway through the menstrual cycle, survives for one to two days.

■ Sperm, in contrast, remain viable inside the female reproductive tract for at least five days.

■ So if coitus occurs more than two days after ovulation, fertilization will not occur, because the oocyte will no longer be viable.

■ If sexual intercourse takes place up to five days before ovulation, fertilization can occur, because the sperm maintain their viability for that long.

■ Once fertilization occurs, the fertilized egg cell, or zygote, takes one week to transform into the blastocyst and become implanted in the endometrium.

Where dispute exists, it is focused on whether, in addition to preventing ovulation and thickening cervical mucus, Plan B acts after fertilization has occurred by preventing implantation of the early embryo. There is an abundance of clinical and epidemiological data that answers the question: No.

The timing of the administration of Plan B, meaning how many days elapse between coitus and when the patient takes the pill, is absolutely critical and closely tied with the success rate of the contraceptive.

Piaggio et al.,⁷ have shown that the risk of pregnancy increases as the interval between coitus and ingestion of the agent lengthens. If Plan B worked by preventing implantation, then the most effective time to administer the contraceptive would be right around the time implantation would occur. Because fertilization occurs within five days of coitus and implantation takes

place seven days after fertilization, the most effective time to administer Plan B would be seven to 12 days after intercourse.

In fact, levonorgestrel is completely ineffective when it is given that late.

Furthermore, several investigators have shown that the effectiveness of Plan B drops dramatically if given more than two days after coitus.⁸ This result is the exact opposite of what would be expected to happen if the agent interfered with implantation of the embryo — if that were the case, Plan B would become *more* effective as time passes after coitus and the moment of implantation approaches. In fact, the effectiveness of Plan B decreases with time after coitus, because every hour that passes before the patient takes the pill increases the probability that ovulation will have occurred. Once the oocyte is released into the fallopian tube, and once sperm have entered the tube, levonorgestrel has no effect.

When given within two days of coitus, Plan B is effective only approximately 50 percent to 80 percent of the time, meaning it prevents only 50 percent to 80 percent of pregnancies that would have occurred in the absence of any contraceptive. This finding is perfectly compatible with levonorgestrel's mechanism of action being the prevention of ovulation. If ovulation has already occurred when the agent is given, in fact if ovulation is even imminent, as is true in the 20 percent to 50 percent of cases of failed contraception, the drug will have no effect. If Plan B's mechanism of action involved a change in the endometrium, then one would expect a higher rate of success, as there would be no such critical time period.

Taken together then, there are biological, clinical and epidemiological data clearly indicating that Plan B's mechanism of action involves only pre-fertilization events.

To summarize, biological experiments involving both animal and human tissue show Plan B has no effect on the endometrium that would be

EMERGENCY CONTRACEPTION

Furthermore, several investigators have shown that the effectiveness of Plan B drops dramatically if given more than two days after coitus. This result is the exact opposite of what would be expected to happen if the agent interfered with implantation of the embryo.

compatible with decreased receptivity for implantation. Thickening of the cervical mucus — as this agent does — thereby impeding the entrance of sperm into the cervico-uterine canal and thus decreasing the number of sperm available for fertilization, would certainly represent a pre-fertilization mechanism of contraception.

Levonorgestrel is not always effective, which is compatible with the fact that it changes nothing if ovulation has already occurred.

The effectiveness of levonorgestrel drops rapidly during the passage of time after coitus, for the probability of missing ovulation increases by the hour. Plan B is not very effective once two days have passed since coitus, and it is not effective at all if there have been seven to 12 days since intercourse — the time frame when implantation actually occurs.

Some of the concerns about how Plan B works have been driven by the unfortunate and inaccurate description on the package insert, which includes a statement that levonorgestrel acts by preventing implantation. There are absolutely no data to support this statement, while there are plenty of data, summarized above, to support the conclusion that levonorgestrel acts only before fertilization has occurred.

There is an urgent need to correct the misconception that levonorgestrel is a post-fertilization contraceptive. Contraceptives that act after fertilization are considered abortifacients, whereas agents that affect any of the events that precede fertilization are

simply contraceptives. As such, the use of levonorgestrel is unnecessarily limited due to the misconception about how it works. For an individual patient, the effectiveness of Plan B decreases with every passing hour, because the chance of missing ovulation increases as time passes — and science has demonstrated Plan B doesn't work after ovulation occurs. For thousands and thousands of victims of sexual assault, the opportunity to act before fertilization will continue to be missed until the data summarized here are carefully considered.

NOTES

1. Jonathan S. Berek, *Novak's Gynecology*, 13th ed., (Philadelphia: Lippincott Williams & Wilkins, 2002), 249.
2. Miller et al., "Postcoital Treatment with Levonorgestrel Does Not Disrupt Post-fertilization Events in the Rat," *Contraception* 67, no. 5 (2003): 415-419.
3. Ortiz et al., "Post Coital Administration of Levonorgestrel Does Not Interfere with Post-Fertilization Events in the New World Monkey *Cebus Apella*," *Human Reproduction* 19, no. 6 (2004): 1352-56.
4. Lalitkumar et al., "Mifepristone, but Not Levonorgestrel, Inhibits Human Blastocyst Attachment to an *in vitro* Endometrial Three-Dimensional Cell Culture Model," *Human Reproduction* 22, no. 11 (2007): 3031-37.
5. Landgren et al., "The Effects of Levonorgestrel Administered in Large Doses at Different Stages of the Cycle on Ovarian Function, and Endometrial Morphology," *Contraception* 30, no. 3 (1989): 275-89.

6. Croxatto, "Emergency Contraception Pills: How Do They Work?" *IPPF Medical Bulletin* 36 (2002): Appendix 1.1, 2; K. Gemzell-Danielsson and L. Marions, "Mechanisms of Action of Mifepristone and Levonorgestrel when Used for Emergency Contraception," *Human Reproduction Update* 10, no. 4 (2004): 341-48.
7. Croxatto et al., "Pituitary-Ovarian Function Following the Standard Levonorgestrel Emergency Contraceptive Dose or a Single 0.75 mg Dose Given on the Days Preceding Ovulation," *Contraception* 70, no. 6 (2004): 442-50.
8. Piaggio et al., "Timing of Emergency Contraception with Levonorgestrel or the Yuzpe Regimen," *Lancet* 353, no. 9154 (1999): 721.
9. Natalia Novikova et al., "Effectiveness of Levonorgestrel Emergency Contraception Given Before or After Ovulation — A Pilot Study," *Contraception* 75, no. 2 (2007): 112-18; James Trussell et al., "Effectiveness of the Yuzpe Regimen of Emergency Contraception by Cycle Day of Intercourse: Implications for Mechanism of Action," *Contraception* 67, no. 3 (2003): 167-71.

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Representative McDermott rose to respond, stating:

"Mr. Speaker, second time in support of the amendment. Just in rebuttal, I notice some speakers were given a little more leeway than I was, which I find shocking. According to the FDA, 'EC pills act by delaying or inhibiting ovulation.' Okay, partially correct. 'Or altering tubal transport of sperm and/or ova.' Okay partially correct. 'Or altering the endometrium thereby inhibiting implantation.'

"That's the crossing point, Mr. Speaker. The prohibiting of implantation means the egg has already been fertilized. *FDA Notice, 62 Federal Register 861, February 25, 1997*. There it is. It's a fertilized egg. It affects the implantation. It's an abortifacient. Period, *pau*, done. Thank you."

Representative Tokioka rose, stating:

"Thank you, Mr. Speaker. Mr. Speaker, I'd like to call for the question. I know we've had a lot of discussion on this very, very important and passionate and sensitive bill, but I think with both amendments that have been out there we've had a lot of discussion. Thank you, Mr. Speaker."

At this time, Representative Tokioka called for the previous question.

The motion that Floor Amendment No. 7, amending H.B. No. 411, HD 2, entitled: "A BILL FOR AN ACT RELATING TO HOSPITAL EMERGENCY COMPASSIONATE CARE FOR SEXUAL ASSAULT VICTIMS," be adopted, was put to vote by the Chair and upon a voice vote, failed to carry, with Representatives Belatti, Ichiyama, Ing and Kobayashi voting no, and with Representatives Cachola, Oshiro and Yamashita being excused.

(Main Motion)

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

"Thank you, Mr. Speaker. I rise in support and I'm just going to make a couple comments. Sexual assault is all too common in our State. Nearly 1 in 5 of all women in the US will experience rape in their lifetime. 2011, there were 83,000 reported forcible rapes throughout the country. In Hawaii, 353 reported. In Oahu, in terms of reported numbers, that's over 21 rapes per 100,000 people.

"When a woman is assaulted sexually she should be able to prevent her pregnancy as a result of rape. That's what emergency contraception does. Some hospitals in Hawaii do not offer victims emergency contraception or even provide information about it, leaving these victims at risk for pregnancy resulting from rape.

"There was recently a survey as discussed in the Judiciary Committee in 2010 that was distributed to 26 emergency departments in Hawaii. Of the 15 surveys returned only 6 respondents were aware their facility had a clear policy on EC. Only 4 say they have a clear policy and always offer it to victims of sexual assault. 3 hospitals say they never dispense EC.

"Now, I know it's late and I don't want to extend my comments, but I want to share with you that I am personally opposed to abortion. I share some values with my most conservative colleagues. This bill prevents abortions. It gives rape victims humane choices. In testimony we learned that 50% of rape victims who are not offered EC go on to get an abortion.

"At this time the Vatican, representatives from the Vatican at least, the Catholic Church, many Catholic churches, they all recognize that this is not abortion. This is a way to prevent abortion and I think whether you're pro-choice or anti-choice, I think we all agree, the fewer abortions the better. Particularly for rape victims. *Mahalo*."

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

"Thank you, Mr. Speaker. I'm in support of the bill but I just would say I have my reservations. My reservation has nothing to do with the content of the bill, which I support. The reservation comes from the distant possibility

Representative Kobayashi rose to speak in opposition to the proposed Floor Amendment, stating:

"Mr. Speaker, I rise to speak against the amendment. There've been a number of terms passed around in recent discussions. Abortion, fertilization, implantation. There are several types of contraceptive medications. Some work pre-fertilization, some work post-fertilization. The newer category of contraceptive medications that we're talking about work pre-fertilization.

"So, when we talk about emergency contraception, as in this bill, we are talking about pre-fertilization medication. So, if the medication works as it should, there is no fertilization. There is no implantation. There is no pregnancy. The issue however is that this medication that works pre-fertilization has a timeline relative to when it is taken. The sooner it is taken, the better. This is the issue at hand. Emergency medical attention based on standards of care. We're talking about trying to prevent fertilization. Thank you."

Representative Ing rose in opposition to the proposed Floor Amendment and asked that the remarks of Representative Kobayashi be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)

that there may be contractual consequences of this bill. I do have a constituency of about 35,000 people that if I would have to choose whether I support it or not I would lean toward the 35,000 people. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. I stand in strong support of House Bill 411. Providing compassionate care in the ER is the accepted standard of care that both the AMA, the American Medical Association, and the American College of Obstetricians and Gynecologists support. They support informing sexual assault victims about EC and providing it to them if requested.

"If compassionate care is not provided in emergency rooms it could particularly impact women who are younger and who live on neighbor islands such as in my district. For women who are under the age of 17 or live in rural areas, access to emergency contraception will be limited if it is not available in the emergency room. In rural areas women may not have access to a pharmacy that's open 7 days a week or 24 hours a day. And depending on when a woman seeks care this might mean waiting a time of up to 48 hours before she could obtain emergency contraception.

"Minors under the age of 17 must have a written prescription to purchase emergency contraception. Some pharmacies participate in a program with the Department of Health's Emergency Contraception Oral Drug Therapy Program and they partner with local physicians to offer prescriptions to these young women. However, many pharmacies do not participate and on some neighbor islands there are none that do.

"On my island, Hawaii Island, 11 pharmacies participate. However, most of these are located in Kona or Hilo town, meaning that victims who live in rural areas may not have access. According to data from the Attorney General's office, the rate of sexual assault is higher on neighbor islands than on Oahu. According to the CDC, of these reported rapes, 42.2% or almost half, involve victims younger than 18. It's also important to keep in mind that the reporting rates of rape incidents are low, so it's estimated that well under half of rapes are reported, so these numbers would be even higher.

"So considering the pervasiveness of sexual assault on younger women and the higher rates of assault on neighbor islands, it's even more urgent that emergency contraception be available in the ER, providing needed access to these victims who have no other way to access it. So in closing, I support House Bill 411 as it is currently drafted because it ensures the best standard of medical care for women in all of our communities. Thank you."

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

"Mr. Speaker, in opposition. The opponents of this measure are St. Francis and the Hawaii Catholic Conference. I'm not Catholic, I don't share the same beliefs that the Catholic Church does, but I do believe that they should have the opportunity to practice their religion according to the dictates of their own conscience. That's something that I believe that everybody should have.

"I believe in the measure, Mr. Speaker. I believe that if it was any member of my family I would want them to have access to this. But I would not purchase that access at the price of having somebody act against their own conscience. That is something that is absolutely fundamental.

"My religious background, Mr. Speaker, at one point here in the United States there was a state that legalized the killing of members of my faith, Mr. Speaker. I don't think anyone in their state legislature stood up and protected their right to practice the religion that they believed.

"Mr. Speaker, I don't think anybody did then, but I want to make that different, Mr. Speaker. I'm going to stand up today and speak up on behalf of the Hawaii Catholic Conference and the members of the Catholic religion who believe that this is contrary to their beliefs and their practices. I think that is something that if we decide today that conscience and

allowing people to practice their religion the way they believe, we are sacrificing way more.

"For me personally, Mr. Speaker, I hope one day we can bring back the death penalty for rape and do that thing the same way we do in the United States Military where rape does carry the death penalty, with the potential of the death penalty in the United States Military. That's something that is befitting that type of horrific crime.

"But, Mr. Speaker, we must allow those who possess strong religious beliefs to continue to practice their religion according to the dictates of their conscience and I don't believe we have any right to reach in, Mr. Speaker, and force people to act contrary. That's the reason why the United States of America was founded in the first place, because people were being forced to act contrary to their religious dictates, Mr. Speaker. And with that, I remain in opposition to this measure."

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

"Mr. Speaker, I'll try to keep it short. I'm rising in opposition to this measure and I'm very sorry to be, this is probably one of the hardest votes that I've had to take. Unlike a lot of the people in this Body, I'm at an age where I was in college when rape was a very big deal. It happened more often than it did in the past and I did take people to the hospital to get emergency contraceptives because I wanted them to be taken care of. So I know how difficult this is and I know how hard it is to vote no on this measure.

"But what we're looking at now, as the Representative from Kapolei mentioned earlier, if we pass this measure as is, because we've now denied the conscience clause, we are now limiting access to care for all of our residents, not just rape victims. Especially for those of us that are in Central Oahu and Leeward Oahu. We now have the possibility of perhaps not getting the hospital that we desperately need.

"Unfortunately, some of the things that have been stated in the debate here today and in the past have misled people to believe that the Catholic health directives have changed in some way and that somehow they no longer apply to emergency contraceptives.

"What's been happening is people are not reading the whole Catholic directive. They are leaving out the final sentence in that they're saying that compassionate and understanding care should be given to a person who is the victim of sexual assault. And proponents of this measure are saying, well okay the Catholics are okay with it. But they leave out the final sentence that says, 'it is not permissible, however, to initiate or to recommend treatments that have as their purpose or direct effect the removal, destruction, or interference with the implantation of a fertilized ovum.'

"Now, the New York Times just put out a very interesting article that states and explain that the FDA and others are now considering reclassifying plan B to say that it no longer disrupts implantation and it's just something that stops fertilization. In that case I think there's a good chance we'll all be okay with it after the FDA reclassifies it, but they haven't. It also includes other drugs that don't have the same kinds of studies to show that they probably don't disrupt implantation.

"So I think if we can maybe focus this measure on, one, getting a conscience clause maybe later. I guess it didn't go well today but maybe later, and just wait and see, because until the FDA reclassifies these drugs, the Catholic hospitals still can't do it and we have a very good chance of losing our opportunity at a hospital that we desperately need, again, for every single victim of assault, which we won't get if this bill goes through. Thank you."

At 9:09 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 9:10 o'clock p.m.

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

"Mr. Speaker, I'll be brief. This is my first time actually speaking on the measure. Thank you. The rub with the Catholic Church is not if it prevents implantation, that's the rub. Because the Catholic bishops are against it, the Catholic Church is against it, Hawaii Catholic Conference is against it. That is certain and they were here today to watch. So make no mistake about it.

"Don't take my word for it, take the warning label from Ella, one of the EC pills. 'It's possible that Ella may work by preventing attachment, implantation.' That's it, that's the rub, that's where they have a problem. Their doctrine, human life must be respected and protected absolutely from the moment of conception. This is Catholic Catechism. Doesn't matter what anybody on this Floor says, this is the book endorsed by John Paul II when he was still alive. That's their doctrine. That's why they're against it. And I'm done. Thank you."

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

"Thank you, Mr. Speaker. I rise in opposition because of the religious freedom but would like to offer just a few comments if this bill does pass. It is a personal issue with me. My father was adopted and it's something that's near and dear to my heart. So just the area in the bill that says, 'shall be trained to provide a female sexual assault victim with medically and factually accurate and unbiased written and oral information about emergency contraception.'

"I just hope that this is followed and women who are in this very traumatic experience are given both options. I'm so blessed to have my father who was adopted from Kapiolani Hospital. Just that they're given the option and also know the health risks involved with emergency contraceptives, so that's really what I ask going further with this measure. Thank you."

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

"Thank you, Mr. Speaker. I just stand in strong support and for the sake of time I'd just like to have the words of the Representative from Kona be entered as if they were my own and I will also submit written comments, but this is a good bill. Thank you."

Representative Morikawa's written remarks are as follows:

"I too believe that Hawaii's women, and the women of my island, deserve the best and accepted standard of medical care available.

"Through the extensive discussions we have had in the underlying committees and in the 17 years that this bill has been contemplated by the legislature, we have learned that Emergency Contraception is the accepted standard of medical care.

"In 2012, sixteen states and the District of Columbia have adopted legislation requiring the provision of information about and/or access to EC to sexual assault victims in emergency rooms. The Federal Government now requires all military and federal hospitals to stock EC. The Army Medical Command Regulations advise discussing and providing EC to sexual assault victims. EC is the broadly accepted standard of care across the nation that the women on my island deserve.

"As noted by the representative from Kona, women living on neighbor islands and in rural areas do not have access to a pharmacy that is open 7 days a week or 24 hours a day where EC can be acquired over-the-counter for women who are over the age of 17. Depending on when a woman seeks care, this might mean a waiting time of up to 48 hours before she can obtain EC, after which EC becomes less effective.

"On Kauai, only 2 pharmacies participate in the Department of Health's Emergency contraception Oral Drug Therapy Program that would allow women younger than 17 to have access to EC and as described by the

representative from Kona. These 2 pharmacies are located in Kapaa and Lihue, leaving young assault victims in the communities like Hanalei, Kalaheo or Koloa without access to the best medical care available.

"Because HB 411 establishes the accepted standard of medical care as the general policy of the state that will reach women survivors on all our Islands, I stand in strong support of this bill."

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

"I stand in strong support of House Bill 411, House Draft 2. I will try to be very brief, Mr. Speaker. Others have spoken eloquently about how emergency contraception is the best and accepted standard of medical care. How the bill is drafted protects the health, safety and welfare of sexual assault victims, so I will not belabor these points.

"However, I'd like to focus my remarks on the religious and ethical concerns raised by this measure and by many colleagues here. There are two principles of lawmaking that I try to follow. I believe it is incumbent upon us as leaders to look beyond our borders, to ask ourselves what is the best practice in laws that we can act for the people that we represent.

"With the subject matter involving medicine and healthcare we should also be compelled to ask ourselves, what is the accepted standard of care and science underlying our policies. As one advocate at the Judiciary Committee hearing stated, we should be persuaded and informed by rigorous peer reviewed, tested science, not simply fringe science. I took these two principles and I ask for your indulgence to listen to these comments.

"I took these principles and looked at it through the lens of being a Catholic legislator. It is in fact very daunting when the opposition lined up against this bill is largely from the Catholic leadership of this State. But I am comforted to find that by applying these two principles and looking beyond our borders, what I have found is that the Catholic leadership beyond our state stands very strongly for this type of measure in front of us now.

"And please don't just take my word for it, Mr. Speaker. Look at the experience of Mercy Medical Center, a Catholic hospital founded by the Sisters of Mercy in New York with active and ongoing participation of the Sisters in leadership roles at the Mercy Medical Center. According to the Mercy Medical Center they offer emergency contraception to victims because it is, 'highly effective in preventing a woman from becoming pregnant from the violent crime of rape.'

"Don't take just my word for it. Look at the work of Dr. Sandra Reznik of St. John's University, one of America's leading Catholic Universities. She states, 'science shows it is not an abortifacient,' and she addresses head on the issue of the FDA labels.

"Don't take my word for it. Look at Ron Hamel, Senior Director of Ethics at the Catholic Health Association, an organization of more than 600 hospitals, 1,400 long term care and other health facilities in all 50 states who states, 'given what is currently known about Plan B from scientific research, Catholic hospitals can respond with sensitivity, compassion and assistance to women who have been raped and are in need of care, while being confident that they are also remaining true to Catholicism's fundamental commitment to respect for human life.'

"Don't take my word for it, look to the New York bishops who in 2002 dropped their opposition to a bill very similar to ours because of the change in the bill's wording that allowed hospitals to administer a pregnancy test before providing the medicine. We have this provision in the bill before us, Mr. Speaker.

"Don't just take my word for it. Take the word of German bishops who just recently announced, and let me say this, German Cardinal Joachim Meisner who announced on behalf of German bishops that the 435 Catholic hospitals in Germany can provide emergency contraceptives to rape victims. They stated, 'an emergency contraceptive that acted to prevent fertilization is 'permissible' in the treatment of a rape victim.' The

same cardinal spoke with and consulted with representatives from the Vatican.

"A few days after his statement was released the Archdiocese statement also cited an action by the Congregation for the Doctrine of the Faith that allowed religious women who minister in areas of the world where they are in danger of being raped, to take contraceptives.

"Mr. Speaker, I believe that this is a bill that is it's time to be passed. What I would want to refocus our attentions on is that this bill is not about the hospitals, it's not about the religious freedoms, it's about the assault victim who is emotionally traumatized and just seeks the best medical care possible.

"A 2005 study found that survivors who experienced negative reactions when first disclosing their sexual assault are more likely to experience post traumatic stress disorder and less likely to make subsequent disclosures. Survivors who are required to make multiple disclosures regardless of negative reactions suffered from acute PTSD symptoms.

"Mr. Speaker, I stand with the 78% of American Catholic women who prefer that their hospitals offer EC for rape victims. And for those reasons, Mr. Speaker, I stand in strong support of House Bill 411. Thank you."

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

"Thank you, Mr. Speaker. In support, very briefly. Promoting the health, safety and welfare of sexual assault victims is a legitimate government interest well served in this respect. The bill's requirements are applied generally to protect sexual assault victims. But religious freedoms in this respect are protected without the need for explicit broad religious or secular exemptions in the bill.

"As policymakers we cannot include broad exemptions without infringing on the basic rights of sexual assault victims by subjecting them to a system of healthcare ruled not by best medical practices but by individual beliefs other than their own.

"Federal law already allows those with conflicts of conscience to delegate their own duties to another as required of all employers preserving the individual religious liberty and freedom of choice.

"This moreover doesn't appear to be any one religious issue. It doesn't appear to be a Catholic issue, per say. The Catholic Health Association has made clear that Plan B contraceptives 'do not cause abortions.' A position supported, as the Representative from Makiki stated, by bishops in other states as well as Catholic cardinals from other countries.

"Here in the United States where this is our jurisdiction I think it's important to point out that a 2010 poll just a couple of years ago shows that 78% of self-identified Catholics nationwide support access to emergency contraception in cases of rape and 57% support its availability more broadly. With that, I'd just like to stand in support."

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

"Thank you, Mr. Speaker. Just very quickly, just something to think about. We cannot say on one side that an institution or an entity has a right but an individual or victim does not. Just something to think about.

"Secondly, in regards to the biology, once a sperm touches an egg it does not necessarily result in a pregnancy directly. So there could be either a partial fertilization or the egg could in fact touch the sperm which doesn't always 100% or even 50% result in fertilization or pregnancy, just in terms of understanding the biology behind it, what actually happens in the timing. Thank you."

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

"Mr. Speaker, I'm supporting this bill with reservations. My support on this bill lies on the fact that this applies only when it comes to sexual

attack or rape. My reservation lies on the fact that it's not tight enough. We want to make sure that if it is rape it's got to be properly documented that there is sexual assault. And then before giving the emergency contraception they must also do it in writing rather than orally. Because anybody can say I'm raped, I'm sexually assaulted, but it's got to be documented and reported that that's the case.

"Now, when it comes to the treatment, by giving them the emergency contraception it's stated here that they can do it in writing and orally. Information, etc. has got to be in writing to make sure it's tight. So hopefully as the bill goes through the other side it could be massaged to make sure it's really tight, that it applies only to sexually assaulted cases and has to be supported and documented. As well as when it comes to the emergency contraception, that the information should also be in writing rather than orally. Thank you."

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

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

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

"I rise in support, Mr. Speaker. I would just like to respond to the comments of the Representative from Kalihi. Rape is one of the most underreported crimes because of the stigma that's associated. I would have very strong objections to any amendment to the bill that would require a victim to disclose in writing a report of a rape in order to receive emergency contraceptives because of the social stigma that's attached to it.

"I think it's very unfortunate that I personally know over three people who are victims of sexual assault, but for fear of retaliation, for fear of the stigma, have not come forward to report it. Anything that would discourage them from receiving adequate treatment I think is a serious, serious concern. With your permission I'd also like to insert further written comments in strong support. Thank you, Mr. Speaker."

Representative Ichiyama's written remarks are as follows:

"Thank you Mr. Speaker, I rise in strong support.

"Sexual assault is one of the most traumatic crimes that target Hawaii's women, both physically and emotionally. In the 2011 Crime in Hawaii report, there were 353 forcible rapes reported to law enforcement. Major studies show that the reporting rates for rape and sexual assault are severely underreported. Despite these troubling numbers, Hawaii currently has no legalized standard of care to treat victims. The survivors of sexual assault require emergency medical care at Hawaii emergency rooms and deserve to receive the best treatment available.

"Sexual assault is a life-threatening event, and one that goes beyond the moment of attack to evoke long-term trauma in victims. The crime of rape does not end with violence. Survivors suffer from depression, intense fear, anxiety, and other crippling symptoms of post-traumatic stress disorder. Victims may find themselves the object of scrutiny or blame, even by their own families. Rape occurs at an alarming rate in Hawaii, yet many victims do not seek emergency care, counseling or assistance through the criminal justice system and most sexual assaults go unreported.

"In the aftermath of rape, victims find themselves dealing with a host of reproductive and sexual health issues, including the fear of an unwanted pregnancy. Sexual assault takes away a person's fundamental control and autonomy over her body. Victims often feel powerless after a sexual assault. Statistics vary, but indicate that approximately 5-8% of all rapes result in pregnancy. HB 411 HD 2 ensures that women will receive medically accurate information and emergency contraceptives (EC) if requested. Female victims also have the option to deny the treatment if she chooses. In both cases, the needs of the survivor and her choice of treatment are fulfilled.

"Emergency contraception is often misunderstood and underutilized. Emergency contraceptives are a safe and effective way to prevent a

pregnancy after a sexual assault. EC are high-dose contraceptives that, when taken within a recommended time period after a sexual assault, will prevent pregnancy. EC is not the 'abortion' pill, nor does it terminate an existing pregnancy. As legislators, we should base our decisions on sound science.

"Providing EC in the ER is the accepted standard of care. Seventeen states and the District of Columbia have all passed legislation requiring hospitals to comply with this nationally endorsed standard of care. Both the American Medical Association and the American College of Obstetricians and Gynecologists support the policy that victims be adequately informed about and provided with emergency contraception.

"While opponents of this measure cite religious objections, emergency rooms - whether religiously affiliated or not - are ethically and morally obligated to provide the best care possible. An institution's religious objections to EC cannot be allowed to stand against the urgent needs of the victim. A victim of sexual assault should not have to seek further medical care on her own because of an institution's refusal to provide basic care. Victims of sexual assault deserve better treatment and every effort should be made to ease their path to healing.

"Thank you very much, Mr. Speaker."

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

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

"Thank you, Mr. Speaker. Please note my strong support. I haven't been here over all the last 20 years to hear these issues but I think the time has finally come and I think we're finally at the position. So, I encourage my fellow Members to please support this measure. If it's not for your wives, your children, your mothers, please. Thank you."

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

"Thank you, Mr. Speaker. I rise in opposition. Mr. Speaker, it pains me to have to vote no on this bill. As a female I absolutely agree with this bill. Rape is the most heinous crime that could ever be committed, not only against a woman, against any human being. Nobody should have to endure that type of violation.

"So it pains me to hear that some of the discussion has been framed as the rights of rape victims versus the right of the religious. That is not the case in point here. We have a very good bill and the concerns that have been raised from some of us who supported the Floor Amendment were legitimate. Again, for those of representing the west side, we don't know what this measure could mean to the impending opening of Queen's West, first and foremost.

"Secondly, when did we become so intolerant? As elected officials I refuse to believe we're that intolerant. Accordingly, Mr. Speaker, it pains me, it pains me to vote no on this measure, but I must. Thank you."

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

"Thank you, Mr. Speaker. In opposition with brief comments. Like the previous speaker it also pains me to vote in opposition to this measure. I think the underlying bill is a very good one. I would have supported it had it included just some form of a conscience exemption as a compromise. I think we do need to seriously treat rape victims and it is unfortunate to have to vote no on this measure.

"But, not only do I worry about present access to healthcare and how it may adversely impact the west side, but I also would like our state to be positioned to be able to be most attractive to all healthcare providers in the future. Because we are an isolated state and because I worry that it may forestall some other healthcare providers from coming into the state, I will be in opposition."

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

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

Representative Har's written remarks are as follows:

"Mr. Speaker, I rise in opposition to Standing Committee Report 917, House Bill 411, House Draft 2. This bill would require Hawaii hospitals to provide sexual assault victims with information about as well as access to emergency contraception.

"First, I would like to say that I whole-heartedly support the original purpose of this bill. Sexual assault is a horrendous crime and I firmly believe in compassionate care for all victims.

"However, it is a disservice to the Leeward community to mandate ALL hospitals to provide emergency contraceptives. According to Dave Kowalski from St. Francis Healthcare, 'as a part of the sale of St. Francis' West Oahu Medical Center real property assets to The Queen's Medical Center, Queen's Medical has contractually agreed with St. Francis to operate its West Oahu hospital ('Queen's West') and medical facilities in the spirit of a Catholic Healthcare facility and pursuant to the moral, ethical and social teachings of the Roman Catholic Church.'

"As such, there could be a huge negative impact on the residents of west Oahu. Since the details of the sale agreement between Queen's Medical and St. Francis are unknown, the ramifications of this bill could vary dramatically. As a result of this bill, a worst case scenario could occur if Queen's West does not to open an emergency room to ensure that it does not breach its agreement with St. Francis. This could have a devastating effect on Leeward coast residents if we had no emergency room.

"Therefore, without understanding all of the ramifications of this bill on the pending opening of Queen's West, I must respectfully vote in opposition to Standing Committee Report 917, House Bill 411, House Draft 2. Thank you, Mr. Speaker."

Representative Fukumoto rose to respond, stating:

"Still in opposition. I just wanted to state for the record that I actually agree with the Health Chair and would like to see emergency contraceptives more available because I do believe it is less traumatic than going through an abortion, especially for a rape victim.

"But again, my concern as the Representative from Kapolei just reiterated, is that we're not governed by the Catholic Diocese in New York or in Germany or anywhere else. We have to follow the directives of what St. Francis has decided to agree to and they are the 2009 Ethical and Religious Directives for Catholic Health Care Services. Which means that no matter what other Catholic hospitals do, we could still lose our opportunity at another hospital. Thanks."

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

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

"Thank you, Mr. Speaker. In support and I would just like to thank the Chairs of Judiciary and Health for shepherding this bill. Additional written comments into the Journal. Thank you."

Representative Luke's written remarks are as follows:

"Mr. Speaker, I rise in support of HB 411 House Draft 2, Relating to Hospital Emergency Compassionate Care for Sexual Assault Victims.

"I wanted to thank the Chair of the Health Committee for shepherding this measure as it moved through the House. This is a very important measure for sexual assault victims and their access to proper healthcare

services. Let Hawaii join the other 16 states and the District of Columbia who have adopted similar legislation."

Representative Awana 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 Awana's written remarks are as follows:

"Mr. Speaker, I rise in support with reservations. HB 411 HD 2 relates to providing emergency contraception to those entering an emergency facility.

"Mr. Speaker, although there has been much discussion surrounding the religious aspects and beliefs of this measure, I would like to address this bill from the view of a purchase agreement with the landowner. There is a vacant hospital that once serviced those in the Leeward side and some of the central areas of the most populated island here on Oahu. On this parcel the owner has mandated that the ideals and beliefs will continue in perpetuity. The current landowner has provided stipulations that if the new landowner takes ownership may jeopardize the final agreement. My hope is that this measure does not jeopardize the final agreement. If this measure moves forward, my hope is that a mutual agreement can be achieved so the people of this area will have the services that they need.

"For these reasons, I stand in support with reservations. Thank you, Mr. Speaker."

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

"Mr. Speaker, in support. I just want to say that for me at least, I'm a Christian too, and that my Christian principles that I try to live by compel me to vote for this because compassion is the overriding principle here, I believe. *Mahalo*."

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

"I rise in support. I'd like to thank the Health Chair for work on this issue and also our Minority Floor Leader for providing more perspective on this issue."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 411, HD 2, entitled: "A BILL FOR AN ACT RELATING TO HOSPITAL EMERGENCY COMPASSIONATE CARE FOR SEXUAL ASSAULT VICTIMS," passed Third Reading by a vote of 42 ayes to 7 noes, with Representatives Cheape, Fale, Fukumoto, Har, Johanson, McDermott and Ward voting no, and with Representatives Aquino and Cullen being excused.

At 9:31 o'clock p.m., the Chair noted that the following bill passed Third Reading:

H.B. No. 411, HD 2

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 918) recommending that H.B. No. 1268, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1268, HD 1 pass Third Reading, seconded by Representative Awana.

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

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

Representative Har's written remarks are as follows:

"Mr. Speaker, I rise in opposition to Standing Committee Report 918, House Bill 1268, House Draft 1. This bill would allow for the creation of a

land trust for 999-year homestead leases. Since the creation of the homestead leases in 1895, there has been constant familial conflict. This bill creates land trusts for families given 999-year leases – a program phased out in the 1950's. I oppose this bill for two reasons.

"First, a land trust is only a temporary solution. Once families have created a land trust, it does not solve any underlying conflict.

"Second, this bill could have an adverse effect and protract conflict between family members. Governor Linda Lingle vetoed this same bill in 2010 stating that:

'setting up land trusts to hold and manage these leases will not resolve the conflict among surviving family members. . .The establishment of a trust can complicate the process because the descendants must now also agree on the process of setting up the trust, appointing a trustee, and naming the beneficiaries.'

"Although I do support the intent of this bill, I feel land trusts would be a quick-fix solution and merely postpone the underlying problems behind the mismanagement of the homestead leases. I urge the Legislature to move towards a more viable long-term solution to help lessees with 999-year leases.

"For these reasons, I rise in opposition to Standing Committee Report 918, House Bill 1268, House Draft 1. Thank you, Mr. Speaker."

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

"I rise in serious reservations about how a 999-year lease can have relevance in the year 2013. Mr. Speaker, this is harkening back to the feudal days when there were only a few landowners who then could have land for perpetuity and we still have remnants of that. I just don't see how it fits. It needs to be phased out rather than institutionalized like we're doing today. Thank you."

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

"Mr. Speaker, with strong reservations. My greatest concern from this arises out of, the issues which directly relate to this bill in my community come from the kingdom days of Hawaii and also the territory days.

"The issues are very complex and this measure does not adequately address what is at hand, and there should be further work done on this, Mr. Speaker. I'd like to insert additional written comments."

Representative Fale's written remarks are as follows:

"Mr. Speaker, I rise with reservations regarding House Bill 1268, HD 1. This measure will allow, '999-year homestead leases to be assigned to trustees of land trusts that are created for managing and holding the homestead leasehold estate for the benefit of the lessee and lessee's family members.'

"Laulani Teale testified regarding this measure that, 'While HB 1268 may not, in itself, resolve existing disputes over succession, it has the power to prevent future disputes by giving lessees and their families the ability to determine the long-term caretakership (sic) of their family lands.'

"Mr. Speaker, I would prefer a trial period first before this measure becomes an Act. For these reasons Mr. Speaker, I rise with reservations regarding House Bill 1268, HD 1."

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

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

Representative Awana's written remarks are as follows:

"Mr. Speaker, I rise in support. I realize that residents that will be affected in this area have been diligent at working on moving this issue forward through legislation for some time now. I am aware that there are some family issues where members are disagreeing amongst themselves. A 999 year lease is quite aggressive. I would like to see additional interest in similar measures as it relates to land rights of other native Hawaiians besides those being address on this measure. For these reasons, I rise in support."

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

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

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

"Mr. Speaker, seven years ago I think I would have voted no but this year I'm going to vote with reservations. Thank you."

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

"Mr. Speaker, after listening to the discussion and being so efficient from this morning where I presented a green slip to the Majority Floor Leader, can I withdraw that green slip and go with reservations?"

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1268, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC LANDS," passed Third Reading by a vote of 40 ayes to 9 noes, with Representatives Cabanilla, Choy, Fukumoto, Har, Hashem, Ito, McDermott, Tokioka and Tsuji voting no, and with Representatives Ichiyama and Takumi being excused.

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

H.B. No. 1268, HD 1

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 923) recommending that H.B. No. 357, HD 2, as amended in HD 3, pass Third Reading.

Representative Saiki moved that notwithstanding the recommendations contained in Standing Committee Report No. 923, that H.B. No. 357, HD 3 be recommitted to the Committee on Finance, seconded by Representative Awana.

The motion was put to vote by the Chair and carried, and H.B. No. 357, HD 3, entitled: "A BILL FOR AN ACT RELATING TO THE ENVIRONMENT," was recommitted to the Committee on Finance, with Representative Takumi being excused.

At 9:36 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 9:38 o'clock p.m.

THIRD READING

H.B. No. 694, HD 1:

Representative Saiki moved that H.B. No. 694, HD 1 pass Third Reading, seconded by Representative Awana.

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

"Mr. Speaker, I will be voting against this measure. A concern that I have is, as currently drafted it might lead to a \$49 million loss of revenues. Just today I think we passed out some important measures in the affirmative from both caucuses that would require every single penny of

that \$49 million in order to effectuate its purpose. So I cannot support this measure.

"But equally important, Mr. Speaker, in deference to yourself, I will be withdrawing my Floor Amendment and ask that it be set aside and not considered by this Body. Thank you."

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

"Thank you, Mr. Speaker. In opposition and may I have the words of the Representative from Wahiawa inserted as my own. I too, Mr. Speaker, have major concerns with the loss of \$48.6 million if this measure was to move forward, currently. Looking at the economic situation we're going to have right now it's very important to have this money in our budget to provide some of the services that we currently fund. So that's my opposition at this moment and time, Mr. Speaker. Thank you."

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

"Mr. Speaker, I rise in support of the measure. Mr. Speaker, what's wrong with giving the poor and the middle class a break. There's nothing wrong with it. People tend to forget that our marginal tax rates in Hawaii are higher than California, higher than New York, higher than New Hampshire, Vermont. We are the highest in the nation and we're giving them a little bit of a break. And now we're complaining about it.

"These are the kind of breaks that go directly into the mainstream of the economy. All of this is cash that goes right into the economy. Can they use it better from their pockets or from the state coffers? I think if we worried more about the people on the street we'd have our coffers filled much better and much more quickly.

"So this is good for those who are working families in Hawaii, for middle class families, and quite frankly these need to be ratcheted down. The Tax Foundation has spoke year after year about how we're the highest taxed even with our regressive GE Tax. So this is a breather and I think we should step back and enjoy it. Thank you."

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

"Mr. Speaker, just note my reservations and also I would just note that to do fair tax comparisons between states you have to look at the overall tax burden. Because we fund our education through the state instead from local sources, our income tax and our state taxes are quite high compared to other states but our real property taxes are very low. *Mahalo*."

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

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

"Thank you, Mr. Speaker. In support. This vehicle will allow us to continue discussion on whether we have parity and reduce the tax burden on the middle and the poor. Thank you."

Representative Oshiro rose to respond, stating:

"Mr. Speaker, thank you. Second time. This has nothing to do with the lower income or middle class. I think that's my concern as currently being considered. Not only is it a \$49 million loss to the General Fund. Again, Members, we've spent the better part of today discussing all these other programs and services in the bills that we have passed unanimously or near unanimously on this Floor. Close to \$375 million. So whether it's a program to provide services to victims of breast cancer, or to support our local farmers, or to give tax credits to developing industries, or just to provide seed capital, that has to come from somewhere. So that's my major reservation.

"Just so we understand what we're voting on. When we did this is back in 2009, Mr. Speaker, we had to make a choice. Where do we find the revenues to fund the important necessary services desired by our

constituents. I made a choice as a Democrat back then to go take a more progressive approach of the higher income level earners, the upper 2%.

"Let me give you an example. We're talking about individuals who are making over \$200,000 a year. A head of household, \$300,000 a year, and a couple of \$400,000 a year. Far from being what I consider middle income taxpayers. Thank you very much."

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

"Thank you, Mr. Speaker. In support just very briefly. I think the concerns raised by the Representative from Wahiawa and the Representative from Waianae are certainly valid ones and I think that's partially why the bill was drafted with blanks in the various tax brackets.

"But there are many blanks if Members look at the pages and that is to encapsulate more than just the upper income bracket. It is specifically designed to be able to incorporate the middle and lower income brackets so that this actually can be broad-based tax relief. I think they were left blank specifically so that there can be a measure of fiscal prudence in considering what the actual fiscal impacts are as we move out the budget and other bills with fiscal impacts. So with that, I think a broad-based income tax relief for all of Hawaii's people affords us the chance to really reduce people's cost of living and increase their quality of life. Thank you."

Representative Luke rose to respond, stating:

"Still in support and I just wanted to clarify. The upper income bracket section as referenced by the Representative from Wahiawa. I wanted to just clear up the misconception that it's not all dealing with the upper income bracket. It deals with about 37,000 people who file as sole proprietors, partnerships or Subchapter S corporations. So it's dealing with middle income people as well. Thank you."

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 in support of HB 694.

"This bill is designed to bring tax relief to those in most desperate need of an improvement in their quality of living. By ensuring that the temporary increase in income tax rates established by Act 60, SLH 2009 is repealed one year ahead of schedule, we can bring some peace of mind and tangible financial improvement to working families and members of the middle class who have been hardest hit by the Great Recession.

"I commend the Representative from the 31st District for his idea to include all tax brackets to expand the bill's tax relief to the middle class, lower income, and those most in need.

"While it is important to ensure that we have enough revenue to make sure that important services are provided, we must also do what we can to help people have enough resources to thrive. This measure provides broad-based and timely tax relief, which a bold idea to make the most meaningful impact on lowering Hawaii's high cost of living for everyone.

"For these reasons, I support this measure and urge my colleagues to do the same. Thank you."

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

"Mr. Speaker, in support. I'm always the first one that's concerned about taking money out of the pockets especially of our working middle class families and I would like to have the words of the Representative from Moanalua inserted as my own, Mr. Speaker."

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

"Mr. Speaker, in opposition. I state my opposition primarily because we're talking about this particular \$48.6 million. It is part of our overall base budget. There is no increase. Basically what we're talking about this

evening is just a reallocation of your General Fund balance that you have and if you folks decide to use it for personal income.

"But there are also very much other outstanding demands out there that I truly believe that we are not trying to avoid or not trying to address but we'll have to. One of them would be the collective bargaining legislation that we all as a Body had supported with blanks. The other blanks were maybe the unfunded liability of our pension and health fund.

"But I believe the speaker from Wahiawa is absolutely correct, and the Representative from Waianae. It is not an increase in our base, it is a reallocation of the base budget that the Finance Committee will have to address. That is the concern for me.

"But overall, I'll be submitting written comments in opposition, but I wanted to share that with the Members of the House."

Representative Say's written remarks are as follows:

"Mr. Speaker, I rise in opposition to H.B. 694, HD 1, Relating to Taxation.

"As presently drafted, this bill would do two things:

- It would eliminate the temporary increase in income tax rates established by Act 60, Session Laws of Hawaii 2009, one year ahead of schedule by changing the sunset date of the increased tax rates from December 31, 2015 to December 31, 2014; and
- It would establish new schedules by which the income tax would be levied after December 31, 2014.

"Act 60 adjusted the taxable income and tax base amounts for new tax rates of 9, 10, and 11 percent for:

- Joint filers with incomes in excess in \$300,000;
- Head of household filers with incomes in excess of \$225,000; and
- Single filers with incomes in excess of \$150,000.

"This legislation was intended to temporarily raise revenue in light of the worst economic decline in the state since the Great Depression. The income tax increase was to be applied to the highest rates on the top 2% of the income tax filers each year, and revert back to the way they were on December 31, 2015.

"According to the Department of Taxation, the elimination of this tax increase one year early would cost the state \$49 million.

"In addition, because the amounts and income levels of the new income tax schedule to be applied after December 31, 2014 are left blank, it is unclear how the income tax would be applied.

"As I see it, as this bill progresses, there can only be two scenarios that could play out with this bill. Either:

- The bill is made revenue neutral, and the \$49 million tax burden is shifted from the richest 2% of Hawaii's tax filers to middle- and lower-income individuals; or
- The new schedule will also decrease the tax burden on a larger group of taxpayers, but increase the lost revenue to the State's financial plan requiring the Legislature to either cut more spending or find other sources of revenue.

"Given the Council of Revenues will meet next week and likely downgrade the revenue forecast for both the short- and long-term in light of federal sequestration and the 'Inouye' fiscal cliff – not to mention the growing unfunded liabilities of our public sector health and pension systems – any additional burdens on our revenue streams will have disastrous impacts on our citizens.

"How many more essential programs and services will need to be cut? How much more can our most vulnerable populations take for the sake of tax breaks for the rich?"

"For these reasons, I am opposed to this bill.

"A VOICE OF REASON."

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

"Thank you, in support with brief comments. It's been a long day and we've talked a lot about moving things forward for further discussion. I think it's really important that we move forward this discussion. This talks about reducing the tax burden on our lower income families and middle class families. So in support and can I also have the words of the Representative from Moanalua adopted as my own. Thank you."

Representative Jordan rose to respond, stating:

"Thank you, Mr. Speaker. Still in opposition. I would like to have the Representative from Palolo's words inserted as my own. Secondly, Mr. Speaker, this is, we're basically just moving it from one point to another point. I understand how we need to uplift our middle and lower income families but what we also have to remember is we don't want to make Hawaii so enticing for the higher income brackets to come and live here, especially our retirees. With our enticements for lower property taxes for them, lower income taxes such as not taxing their retirements.

"We really have to look at this structure we have. Again, if we lose \$48 to \$49 million in our base budget, what are we going to do when we don't have the money to fund these programs that we are talking about today?"

"Secondly, we really must focus on this. This is a very difficult decision. Where are we going with this? I don't remember reviewing that tax commission report saying that we need to lower these rates. Thank you, Mr. Speaker."

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

The motion was put to vote by the Chair and carried, and H.B. No. 694, HD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Third Reading by a vote of 34 ayes to 16 noes, with Representatives Aquino, Cabanilla, Choy, Coffman, Cullen, Har, Ichiyama, Ito, Jordan, Kawakami, Oshiro, Say, Takayama, Tokioka, Tsuji and Yamane voting no, and with Representative Takumi being excused.

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

H.B. No. 694, HD 1

INTRODUCTION OF RESOLUTIONS

By unanimous consent, the following resolution (H.R. No. 47) and concurrent resolutions (H.C.R. Nos. 60 through 62) were referred to Printing and further action was deferred:

H.R. No. 47, entitled: "HOUSE RESOLUTION URGING THE GOVERNOR, DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM, BOARD OF REGENTS OF THE UNIVERSITY OF HAWAI'I, BOARD OF EDUCATION, AND HAWAI'I'S CONGRESSIONAL DELEGATION TO STRENGTHEN THE SISTER-STATE RELATIONSHIP WITH TAIWAN IN COMMEMORATION OF THE TWENTIETH ANNIVERSARY OF THE SISTER-STATE RELATIONSHIP BETWEEN HAWAI'I AND TAIWAN," was jointly offered by Representatives Takai, Awana, Ito, Mizuno, Ohno, Saiki and Souki.

H.C.R. No. 60, entitled: "HOUSE CONCURRENT RESOLUTION URGING THE GOVERNOR, DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM, BOARD OF REGENTS OF THE UNIVERSITY OF HAWAI'I, BOARD OF EDUCATION, AND HAWAI'I'S CONGRESSIONAL DELEGATION TO STRENGTHEN THE SISTER-STATE RELATIONSHIP WITH TAIWAN IN COMMEMORATION OF THE TWENTIETH ANNIVERSARY OF THE SISTER-STATE RELATIONSHIP BETWEEN HAWAI'I AND TAIWAN," was jointly offered by Representatives Takai, Awana, Ito, Mizuno, Ohno, Saiki and Souki.

H.C.R. No. 61, entitled: "HOUSE CONCURRENT RESOLUTION AUTHORIZING THE ISSUANCE OF A FIFTY-FIVE YEAR TERM, NON-EXCLUSIVE EASEMENT COVERING A PORTION OF STATE SUBMERGED LANDS AT PUAMANA, LAHAINA, MAUI, FOR VARIOUS SEAWALL STRUCTURES, A CONCRETE GROIN, AND REVETMENT FOOTINGS OF A HISTORIC SWIMMING POOL," was jointly offered by Representatives McKelvey and Souki.

H.C.R. No. 62, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE AUDITOR TO ASSESS THE SOCIAL AND FINANCIAL EFFECTS OF REQUIRING HEALTH INSURERS TO PROVIDE COVERAGE FOR MEDICALLY NECESSARY TREATMENT OF OROFACIAL ANOMALIES," was jointly offered by Representatives McKelvey, Belatti, Carroll, Jordan, Morikawa and Nishimoto.

ANNOUNCEMENTS

Representative Takai: "Thank you, Mr. Speaker. Your Committee on Veterans, Military & International Affairs, & Culture and the Arts, along with the Senate Committee on Public Safety, Intergovernmental and Military Affairs is having a very important info briefing tomorrow at 9:00 and we invite any Member in this House as well as our Senate counterpart to join us.

"We'll be discussing with the Chamber's Military Affairs Council and Charlie Ota as well as some Military members and some defense contractors, the effect of sequestration and possible federal shutdown if the continued resolution is not extended on March 27th. It's important to all of us, so I encourage anybody who is available to join us at 9:00 tomorrow in Room 309. Thank you, Mr. Speaker."

Representative Belatti: "Thank you, Mr. Speaker. I'd also like to send out an invitation to a meeting of the Hawaii State Coalition Against Domestic Violence. The Hawaii Women's Caucus, the Department of Health and members of the Oversight Body and task forces regarding the Domestic Violence Strategic Plan, Navigating a Course for Peace 2007 to 2012. This briefing will be at 11:30 for an hour in Room 229 tomorrow. Thank you, Mr. Speaker."

Representative Ward: "Mr. Speaker, for those who follow international affairs, it will be important to note that Hugo Chavez, President of Venezuela, passed away at age 58."

The Chair then stated:

"The House will be in recess on Wednesday, March 6, 2013. House session will convene at 12 noon on Thursday, March 7, 2013."

ADJOURNMENT

At 9:54 o'clock p.m., on motion by Representative Awana, seconded by Representative Fukumoto and carried, the House of Representatives adjourned until 12:00 o'clock noon, Thursday, March 7, 2013. (Representative Takumi was excused.)

OTHER COMMUNICATIONS

A copy of the following Senate Communication to the Governor was received by the Clerk:

"March 5, 2013

The Honorable Neil Abercrombie
Governor of the State of Hawaii
State Capitol
Honolulu, Hawaii 96813

Dear Governor Abercrombie:

In accordance with the provisions of Article XVII, Section 3 of the Hawaii State Constitution, written notice is hereby given of the final form of the following bills, copies of which are attached hereto:

S.B. No. 453

"PROPOSING A CONSTITUTIONAL AMENDMENT TO ARTICLE X, SECTION 6, OF THE HAWAII STATE CONSTITUTION TO MODIFY THE APPOINTMENT PROCESS FOR THE BOARD OF REGENTS OF THE UNIVERSITY OF HAWAII."

S.B. No. 509

"PROPOSING AN AMENDMENT TO ARTICLE I OF THE CONSTITUTION OF THE STATE OF HAWAII RELATING TO RIGHTS OF CRIME VICTIMS."

S.B. No. 982, S.D. 1

"PROPOSING AN AMENDMENT TO ARTICLE XVII, SECTION 3, OF THE CONSTITUTION OF THE STATE OF HAWAII."

S.B. No. 1084, S.D. 1

"PROPOSING AN AMENDMENT TO ARTICLE X, SECTION 1, OF THE HAWAII STATE CONSTITUTION TO PERMIT THE APPROPRIATION OF PUBLIC FUNDS FOR PRIVATE EARLY CHILDHOOD EDUCATION PROGRAMS."

Respectfully,
/s/ Carol Taniguchi
CAROL T. TANIGUCHI
Clerk of the Senate

Enclosures

cc: Brian Takeshita
Clerk of the House"