

FIFTY-NINTH DAY

Tuesday, April 29, 2014

The House of Representatives of the Twenty-Seventh Legislature of the State of Hawaii, Regular Session of 2014, convened at 9:11 o'clock a.m., with Speaker Souki presiding.

The invocation was delivered by Sir William Souza of The Royal Order of Kamehameha, and Ms. Robyn Kealoha of Nanakuli High and Intermediate School, after which the Roll was called showing all Members present with the exception of Representatives Carroll, Ito, Mizuno and Wooley, who were excused.

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

SENATE COMMUNICATIONS

The following communications from the Senate (Sen. Com. Nos. 716 through 718) were received and announced by the Clerk:

Sen. Com. No. 716, transmitting H.C.R. No. 34, HD 2, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES TO WORK WITH THE HAWAII EMERGENCY MEDICAL SERVICES ASSOCIATION AND OTHER RELEVANT ORGANIZATIONS TO PLAN AND CONSTRUCT THE HAWAII EMERGENCY RESPONDERS MEMORIAL," which was adopted by the Senate on April 25, 2014.

Sen. Com. No. 717, dated April 25, 2014, informing the House that the following bills have this day passed Final Reading:

S.B. No. 2134, SD 1, HD 1, CD 1
S.B. No. 2657, SD 2, HD 1, CD 1
S.B. No. 2768, SD 2, HD 2, CD 1

Sen. Com. No. 718, dated April 25, 2014, informing the House that the Senate has on April 24, 2014, reconsidered its action taken on April 10, 2014, in disagreeing to the amendments proposed by the House to the following Senate Bill and has moved to agree to the amendments, and that said bill has this day passed Final Reading:

S.B. No. 2853, SD 2, HD 2

INTRODUCTIONS

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

Representative Ohno introduced Fern Elementary First Graders, and teachers and chaperones: Ms. Marianne Belmor, Ms. Adele Yoshida, Mr. Jeff Pascua, Mr. Kaimana Kalamau, Ms. Beatrice Mar, Ms. Susan Ibara, Ms. Angella Topsana and Ms. Louise Cayetano; and Mr. Kyle Worthman, Nanakuli High School Teacher and fellow Teach for America alumni.

Representative Morikawa introduced her son, Ken Morikawa Jr., and his friend, Keiko Francisco.

Representative Har introduced Ms. Lara Yamada, KITV Reporter.

Representative Saiki introduced HMSO intern, Christine Hanzawa, a sophomore at the University of Washington.

Representative Lowen introduced her friend and former boss, Ms. Denise Antolini, Associate Dean for Academic Affairs, University of Hawaii at Manoa William S. Richardson School of Law.

Representative Jordan introduced Ms. Leimana DaMate, Executive Director, Aha Moku Council.

Representative Awana introduced Nanakuli High and Intermediate School Junior Songfest Members: Alia Harris, Alii Kauwelo-Pilialoha, Angelica Chun-Fook, Auzia Maria, Benjamin Ka'ulula'au-Pinero, DeAndrea Sylva, Henry Kawailima, Kaimi Apana, Kamakana Kaneakua-Keawemauhili, Kawehi Chai, Leisha Soberano-Keawemauhili, Shianne Loke Moepono-Techur, Maryann McIntosh-Kumukoa, Micaela La'a-Robles, Moniqueca Savea, Natalia Kaopua, Raymond Flores-Santiago, Reydel Ewaliko-Kauhane, Robyn Kealoha, Sheldon Ala-Peahi, Valorie Ventura, Vivica Roberson, Zayn Vasconcellos-Kaaihue and Jade Marfil; Class Advisor: Mr. Kyle Worthman; and Songfest Coaches: Ms. Shannah Nahulu and Ms. Mailani Rabanes.

Representative Har introduced Ms. Kat Brady, Coordinator, Community Alliance on Prisons.

Representative Awana introduced her staff: Mr. Guy Aiu, Ms. Leolani Oyama and Ms. Han Zhang.

ORDER OF THE DAY

SUSPENSION OF RULES

On motion by Representative Cabanilla, seconded by Representative Fukumoto and carried, the rules were suspended for the purpose of considering certain House and Senate Bills for Final Reading by consent calendar. (Representatives Carroll, Ito, Mizuno and Wooley were excused.)

UNFINISHED BUSINESS

Conf. Com. Rep. No. 148-14 and H.B. No. 1700, HD 1, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1700, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

"Thank you. Mr. Speaker, I rise to speak in support of House Bill 1700, House Draft 1, Senate Draft 1, Conference Draft 1. Mr. Speaker, this budget bill would not have been possible without the help of so many people. I first would like to thank the members of the Finance Committee. I really took them to task the last two years. Whether it was being responsible for certain bills or budget items, I relied on them heavily, and they rose to the challenge. This budget bill is a culmination of our hard work for the last two years. I am thankful for each and every one of them, especially the two hard working vice chairs.

"These members of Finance have been just really selfless. I do want to recognize one member, I'm not going to say his name, but because of all the work that we had done during the interim, he didn't even ask for any CIPs for his district, just to make sure that some of our other Finance CIP priorities were in the budget. I know he knows who I am talking about, and I am very thankful for him. And thank you to the Members for making the last two years a fruitful one.

"I want to thank my staff, many of them are in the gallery today, for their hard work, putting in long hours, being really flexible to the needs of the Members, and having the patience to put up with me and not saying anything or grumbling. I appreciate every one of you. And at this point in time, I'm going to call each of their names, and if you could stand, and I know at least one of them is hiding in my office, but if the person could stand in the office too. William Chum, Melody Lee, Danyl Pang, Jennifer Byun, Kay Yasufuku, Dominique Swann, Sheryll Yotsuda, Riley Fujisaki, hiding but I expect Riley to be standing up somewhere. Mallory Klum, Tiffany Anderson, Alicia Swanson, Donovan Lim, Brandon Kumabe. My Office Manager, Julie Yang. The Budget Supervisor, Albert Vargas. CIP Specialist, who worked really diligently with Representative Yamashita, Derek Shigano, and the Members can personally thank him later. Jo

Hamasaki, who really kept all the hearings in order. Stacey Tagala, who is the Research Supervisor. Randall Hiyoto, the Bills Chief. And of course, my trusted right hand, I can't do anything without him, Nandana Kalupahana. And if at this point, if the Members and audience can show our appreciation for all their hard work. Okay, you guys can sit down.

"I would like to thank Chair Ige and his staff, Roderick Becker, Calvin Azama, Susan Hirai, and all the rest of the WAM staff. There were times we had a lot of heated discussions, of course, and they allowed me to rant and rave, like sometimes I do, and get on my soapbox, and I allowed the same to them. But in the end, we were able to work out our differences and come out with a balanced budget and a sound financial plan for the next several years.

"I would also like to thank the administration, especially the Budget Director Kalbert Young, for working alongside with us throughout the entire legislative process and putting the bills in order. And thanks to the departments, I think this year was truly a year of rebuilding, working together with them to look at some of the things that we need to work out, for instance vacancies and vacation payouts. They were really willing to work alongside with us to correct some of the cuts that we have done in the past.

"I would like to thank, and I want to apologize for mentioning these people by name, but I think it will be better if I mention them by name because they do deserve the recognition. I would like to thank Representative Yamashita, and his counterpart Senator Kidani, and her staff Will Kane, for working collaboratively on the CIP budget."

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

Representative Luke continued, stating:

"Thank you very much. As you know, the administration's budget included over \$280 million in cash CIP, which the CIP Chair in his wisdom partially took down in the House Draft 1. Since the House Draft 1 was passed, the Council on Revenues projected a lower growth. As such, Representative Yamashita and Senator Kidani had the task of eliminating all cash CIP from the budget, which is a very difficult task, and maneuvering many projects, in order for the CIP budget to be within a reasonable budget ceiling.

"There were nights around close to 11:00 when I was heading home, when I saw two of them huddled together with their staff and still working out the CIP budget. I truly want to say my sincere gratitude to the CIP Chair for overcoming the challenges of this session, and putting forward a CIP budget that we can be proud of. And at this point in time, if we could give a round of applause to Representative Yamashita.

"I would also like to thank the GIA Chair, Representative Ty Cullen, for his hard work. This year he took the lead in allowing a GIA hearing, where Members in the public could interface with over 200 GIA applicants. He did due diligence on all of the applicants and had several contact with many of them to assess what the true needs were. He went above and beyond what the role required. I have the utmost trust and faith in the GIA Chair, and I want to thank him again for his great work. If we could also give him a round of applause.

"Mr. Speaker, I think a lot has already been said about what's in the budget, so I'm not going to take time to go through every item at this point in time. Mr. Speaker, I would like to thank you for allowing us to do our work, and to craft this budget alongside the Senate. I present it to you and the Members for your favorable consideration. Thank you."

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

"Thank you, Mr. Speaker. I would like to stand with very, very slight reservations on the state budget. May I proceed? My reservations have nothing to do with the hard work of the Finance Chair or the Finance Committee. In fact, I praise them. I support the HD 1, and specifically on

the UH budget. I think this Body, this Chamber, did a great job on the HD 1.

"It's those fellows across the courtyard that I have reservations with. And so, Mr. Speaker, not to make this a very long speech, I just want to emphasize one thing. There's a trend in the university budget, and that's the only reservations I have, by the way, Mr. Speaker, the university budget. There's a trend in the university budget that puts more pressure, more burden, on our students. We continue, every time you look at the UH budget and you see that means of financing as 'B', and that number keeps on going up, what that does is put pressure on our students.

"If we're to stand for accessible, affordable public education, especially in our undergraduate level, that 'B' number cannot go up. UH 100, \$45 million increase in ceilings. UH Hilo, \$2 million increase in 'B' fund ceilings. System, \$14.6 million. And I got this out of the bill, so the conference worksheets aren't ready yet, so I can't give you the details. But all I'm saying is, guys, look, we have to stand for accessible, affordable undergraduate education. Please, in the future, let's think of them. And that's my only reservations, and I support the HD 1. Thank you, Mr. Speaker."

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

"Thank you very much, Mr. Speaker. I stand in support of the budget as well. As you know, your Committee on Education's bills may have hit a few roadblocks, but as far as the budget goes, I think we can be proud that the Legislature indeed supports public education when we look at the additional dollars allocated to the Weighted Student Formula.

"I particularly want to mention the \$3 million appropriation for early education, which will now be used for three expenditures. One, to allow a partnership with the public schools, so up to 21 classrooms will now have preschool classrooms at the school. The second would allow the Executive Office on Early Learning to expand their staffing to accommodate this new venture with the public schools. And the third is to allow some dollars for family-child interaction learning programs, because as we know, the only way this process is going to succeed is if we have many ways in which we can reach out to families and they can choose the appropriate delivery system for their child. Thank you, Mr. Speaker."

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

"Mr. Speaker, I rise in support. Mr. Speaker, three brief comments. First, this budget saved the space port. It saved the space tourism that we're about to launch. And because of a supplemental budget item, NASA and the State of Hawaii had invested \$500,000 of which they needed another \$80,000 in order make the space port license complete.

"I commend the chair, the wisdom of all those conferees, for doing the right thing and help diversify the economy into what otherwise we have the strategic advantage over the whole nation, if not the whole world, Mr. Speaker, in terms of space tourism, and traveling by space as these planes are projected. As they take off from Honolulu they get up about six or seven miles, shoot their rockets, and they're in Tokyo in 45 minutes. Mr. Speaker, this is an important part.

"Now I thought, even though it saves space tourism, it was going to cause a proliferation of the red fire ant. But I was assured by the chair that even though that bill failed, the red fire ant, Mr. Speaker, is as dangerous as the coqui frog. And we've lost one island already to the coqui frog. And the red fire ant is on a war path throughout the State of Hawaii. Fortunately, there's enough in this budget for the DLNR to do that, but I would urge my colleagues to monitor it closely because we do not have control over the allocation, specifically and the amounts that were needed as was in the bill, \$330,000 to make sure that the fire ant does not proceed further.

"Lastly, Mr. Speaker, as we thank so many people, I want to quote my colleague from Hawaii Kai, Senator Slom, 'we must thank the people of Hawaii.' Thank you people of Hawaii for all the \$12 billion that you provided that this Body has the honor to divide and hopefully make the right decision each year. Thank you, Mr. Speaker."

Representative Oshiro rose in support of the measure with reservations and asked that the remarks of Representative Choy 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."

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

"Mr. Speaker, I rise in support. I'd like to comment further on the remarks from the Representative from Manoa. The University of Hawaii has always had many stakeholders. There was a time when we had people in this Body who did not have college degrees. They made it fairly clear at one time that they had a priority. People did not agree with their priority necessarily, but today their priority is the biggest part of the University of Hawaii. That is, in terms of head count, their priority, the community colleges, have grown and grown and grown.

"Today, we don't have priorities. We think that community colleges are important, undergraduates are important, graduate programs are important. Well, our function here is to prioritize. If everything's important, then in a sense, nothing is important. So, the good comments of the Representative from Manoa are well taken. When I went to the University of Hawaii, I could earn enough money during one summer to pay for my entire expenses at school. Today, unless you have an extraordinarily good job during the summer, you cannot do that. And hence, what people do is they work during the school year. And hence, some of them don't graduate, some of them graduate in more than four years. And so we have a situation in which we need to pay attention.

"On the budget itself, I'd like to comment that, particularly in human services, we've had some good things happen in the budget. We have approximately \$7 million for foster children guardians for their stipends. That has not increased, I think, for 23 years. We have \$300,000 for the Center on Deafness. Deafness is a disability that is worse in many ways than blindness. We have \$500,000 for social security advocacy, which will bring in federal funds and double the \$500,000 allocated in General Funds.

"In our related health area, I think that we have a \$2 million item for the Hilo Medical Residency Program. This program, as you know, is for all of the neighbor islands, not just Hilo. And so that should help out with our primary care physician shortfall. I think that also on the Big Island, we have in the CIP area a big winner. Big Island has two of the biggest CIP items in this budget. The \$28 million for the UH Hilo Pharmacy building, and \$33 million for the new Kona Courthouse, both much needed projects.

"Staying on with university, UH West Oahu, which we visited, is another big winner. They have \$3 million for additional staffing and \$19 million in CIP. And not the least of these items in the budget is the biggest single line item, \$50 million special funds to provide low cost loans to install green energy devices. This would be for people who do not have the money upfront to pay for these green energy devices, but can borrow on a low cost basis and pay back based on the savings that they will accrue on a monthly basis through those green energy devices.

"So we have a lot in the budget. We have the \$7 million for invasive species. More than we've ever spent before. We have \$5 million in one pot, but we have several other items that total up to \$7 million.

"So, we have a budget that, while thin given the times, goes a long way in solving a good many of our problems. Thank you very much."

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

"Mr. Speaker, may I ask for a ruling on a potential conflict? My son was involved in the lawsuit at the deaf school, and a settlement was made," and the Chair ruled, "no conflict."

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

"Thank you, Mr. Speaker. I rise in support. I'd also like to thank the staff of the Finance Committee, the Chair, and all of the members of the Finance Committee, and you as well, Mr. Speaker. Thank you."

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

"Thank you, Mr. Speaker. In support. Just very briefly, I wanted to note that I'm particularly proud that I think this is a very responsible budget crafted by both the House and the Senate. I also think that the House can take great pride in many of the much needed budgetary and fiscal reforms that began as a part of the HD 1 version, and have continued on, and I think put the state on a sure footing. Thank you."

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

"Mr. Speaker, I stand in support of the budget. I want to thank the Finance Chair for her positive demeanor, always has a ready smile, and is an asset to this Body. I'd also like to thank the leadership for recognizing all those students from Campbell High School who came down here year after year to ask that we provide them some heat abatement in the form of air conditioning. I'd like to acknowledge the hard work of Corey Rosenlee and Naomi Takamori, the Principal out there, for all that they did to bring this issue to the public's attention.

"I'd also like, once again, to thank the leadership and my colleague from Ewa Beach who I know did a lot of heavy lifting on this issue. Thank you."

Representative Ward rose to respond, stating:

"Mr. Speaker, in continuation of support, but I want to underscore one of the comments from the Representative from Manoa. At this point in history, parents are more educated than their children. As he pointed out how the cost of education has dampened down the educational level, Mr. Speaker, that's a very serious demographic. This state has older people more educated than younger people. The America that we knew always had its younger people more educated than the older people. So Mr. Speaker, we have to really pay attention to the words of the gentleman from Manoa. We cannot expense out our youth by not giving them the educational opportunities.

"Secondly, Mr. Speaker, lest I sound too glowing of the budget, there's a very, very big flaw in this budget, which I failed to mention. We may be embarrassed as one of the six test sites for the unmanned aerial vehicles, UAVs. Some of them call them drones, I'm not going to call them drones. But that is an issue of the future, of which we were honored by the FAA to say, okay Hawaii, you and Alaska and Oregon can be one of the test sites for this national phenomenon. But the money that we were going to put up to get it organized, to get it structured so we could be one of the best test sites in the US, we gave it a zero. Mr. Speaker, that's a serious flaw that unless we come up with something, we're going to be embarrassed as one of the leading areas of aerospace for the future of this nation, as well as the world. So, Mr. Speaker, I hope we can hereafter do something about that. Thank you."

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

"Mr. Speaker, I rise with some very, very small reservations. And those reservations stem not from this Body. I think this Body took the most fiscally responsible approach to the budget. My reservations as those come from a similar position from where the Chair of Higher Education expressed just moments ago. And Mr. Speaker, may I have the words of the Chair of Higher Education adopted as if they were my own?"

"Also, Mr. Speaker, my slight reservations rise from what our friends across the way did over in the Senate Chamber and also our friend on the fifth floor, on what they did. Mr. Speaker, my biggest concerns were raised in what happened with the disproportionate energy and time and effort that the fifth floor took away from this Body in regards to what happened with the Turtle Bay conservation effort.

"I think if the fifth floor had taken a more responsible approach to this, there are a number of bills that unfortunately fell on the wayside because we had to huddle together to figure out exactly what it was we were going to do. And many, many good measures, Mr. Speaker, and I sat in a number of these conference committees, especially on those on education, that didn't get the time and attention they deserved, because the way the fifth floor conducted itself took away from the House in doing its business in the most effective way, Mr. Speaker.

"So I do have those reservations that have to do with the fifth floor, Mr. Speaker, and what our friends in the Senate Chamber did. So with that, Mr. Speaker, I support this measure."

At 9:53 o'clock a.m., Representative Awana requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 9:54 o'clock a.m.

Representative Oshiro 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 Oshiro's written remarks are as follows:

"Mr. Speaker, I rise in support of the Operational Budget, but with serious reservations.

"My main concerns pertain to the process used in determining funds for grant-in-aid.

"Earlier this year, this House learned that Wahiawa General Hospital (WGH) is in the midst of serious financial problems. For Fiscal Year 2013, the hospital operated profitably due to increased patients from Hawaii Medical Center West's (HMC – West) closure and special funding from the state and federal governments. However, with the imminent opening of Queen's Medical Center at the old HMC – West campus, WGH is anticipating a decline in inpatient admissions to pre-HMC – West closure levels.

"In preparing for this outcome, WGH has begun to restructure its nursing services, utilization management and all major programs and departments to rebalance the work force for the reduced patient load that is expected to occur quickly.

"While this is happening, WGH has continued to fund the Family Practice Residency Program with the John A. Burns School of Medicine (JABSOM) at a loss of over \$1.4 million per year.

"WGH informed the Legislature that given its current financial outlook, it cannot continue to subsidize the Family Practice Residency Program without additional assistance from the state.

"Meanwhile, the Legislature has endorsed the policy of establishing a new family practice residency program at Hilo Medical Center. However, it will take years before the program will be in a position to adequately train residents from JABSOM or any other medical schools. In the meantime, WGH is the only hospital that provides residency training for family practice physicians.

"Should WGH determine that it can no longer sustain the Family Practice Residency Program before the Family Practice Residency Program at Hilo Medical Center is fully operational, JABSOM could lose its accreditation by the Liaison Committee on Medical Education (LCME) of the Association of American Colleges and the Council on Medical Education of the American Medical Association.

"Should JABSOM lose its LCME accreditation, it may further damage the state's ability to recruit and retain qualified physicians in the State of Hawaii.

"These findings were incorporated into House Concurrent Resolution No. 141, which was adopted by this House on April 3, 2014.

"Despite agreeing with these findings and formally acknowledging this problem, WGH's pleas for assistance fell on deaf ears.

"Wahiawa General Hospital submitted two grant-in-aid requests for assistance:

- \$2,000,000 for Fiscal Year 2015 for emergency support; and
- \$1,700,000 for Fiscal Year 2015 for Family Medicine Residency Program support.

"No appropriations in grant-in-aid assistance was authorized for WGH in the Conference Draft 1 version of this bill.

"Even if a portion of the request was funded, it would have greatly helped – this, the only hospital providing services to Central and North Shore Oahu.

"It truly is unfortunate that when the citizens of Leeward Oahu suffered because of the closure to HMC – West, it was WGH that stepped up to meet the needs of Mililani, Waipahu and Ewa. Not only did WGH provide emergency medical services to these communities, but it also hired many of the medical personnel that were laid off when HMC – West closed down. And many of these same workers will be laid off when the new hospital opens later this year.

"As the former Chair of the Committee on Finance, I understand the difficulties my colleagues are under in choosing who should get funding and who should not. But the circumstances are much different now. We started this session with a surplus of over \$800 million, and while revenues had fallen after the Council on Revenues revised its forecast for the fiscal biennium, there were still more resources available this year than in any previous six years I served as Chair of that Committee.

"The Chair patted herself on the back that approximately \$10 million was given this year in grant-in-aid. For many of the recipients, their requests were laudable, justifiable, and responsible. But can we say that all that received moneys in this budget? Let's take a look at just a few:

- \$100,000 for Ewa Historical Society, Inc., which is headed by my colleague, the Representative from Waipahu, to mow the grass at the Old Ewa Cemetery, even though the City and County of Honolulu and volunteers already do it. Also, had anyone checked to see whether Ewa Historical Society, Inc. was even eligible to receive a grant-in-aid since it failed to file its taxes for the past three years.
- \$556,775 for Navatek Boat Builders, a for-profit business, to design and construct two enforcement craft for the Department of Land and Natural Resources, even though Navatek already had numerous designs of boats already for sale that were specifically geared for Hawaiian waters.
- \$450,000 for Navatek, Ltd., another name for that same for-profit business, to survey 'high risk' zones in the South Oahu Recreational Management Area to identify where current legislation, rules and regulations are adequate to protect the safety of users and minimize the legal liability to the state. Shouldn't a state agency like the Department of Land and Natural Resources be doing this instead of a for-profit business?
- \$466,339 for Hawaii Agricultural Foundation to teach elementary school children the importance of agriculture in Hawaii by using a curriculum and materials developed in the STATE OF OHIO for that purpose. First, shouldn't our schools already be teaching our kids the importance of agriculture? Second, don't you think agriculture in Hawaii is very different from agriculture in OHIO?
- \$400,000 for Hawaii Symphony Orchestra to re-establish service on neighbor islands, providing symphonic music to general audiences and educational programs and community performances. While the spreading of culture throughout the state is a noble goal, when \$240,000 will go to pay the salaries of the three highest paid officers in that organization (\$100,000 – Executive Director; \$70,000 –

Director of Finance; \$70,000 – Director of Development), you have to wonder whether this is the most prudent choice we could have made.

"These projects total almost \$2 million – \$2 million that could have been provided to WGH to ensure that it remain financially viable and continue to operate the family practice residency program that is so vital for JABSOM's accreditation.

"Thank you for the opportunity to share my concerns with you. Rest assured that as the financial difficulties mount for WGH, we will all be kept informed of the situation."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1700, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE BUDGET," passed Final Reading by a vote of 49 ayes, with Representatives Ito and Mizuno being excused.

At 9:55 o'clock a.m., the Chair noted that the following bill passed Final Reading:

H.B. No. 1700, HD 1, SD 1, CD 1

At 9:55 o'clock a.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 10:25 o'clock a.m., with Vice Speaker Mizuno presiding.

ORDINARY CALENDAR

UNFINISHED BUSINESS

At this time, the Chair stated:

"The Chair will be taking a few items out of order. Please turn to page 20, Conference Committee Report Number 115-14."

Conf. Com. Rep. No. 115-14 and H.B. No. 2490, HD 2, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2490, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative Cabanilla.

At this time, Representative Luke offered Floor Amendment No. 8, amending H.B. No. 2490, HD 2, SD 2, CD 1, as follows:

"Section 1. House Bill No. 2490, H.D. 2, S.D. 2, C.D. 1, is amended as follows:

1. By amending Section 5 of the bill to read:

"SECTION 5. Section 352D-4, Hawaii Revised Statutes, is amended to read as follows:

"~~§352D-4~~ **Establishment; purpose.** There is established within the department of human services for administrative purposes only the office of youth services. The office of youth services is established to provide services and programs for youth at risk under one umbrella agency in order to facilitate optimum service delivery, to prevent delinquency, and to reduce the incidence of recidivism among juveniles through the provision of prevention, rehabilitation, and treatment services. The office shall also be responsible for program planning and development, intake/assessment, oversight, as well as consultation, technical assistance, and staff training relating to the delivery of services.

The office shall provide a continuum of services as follows:

- (1) An integrated intake/assessment and case management system;
- (2) The necessary educational, vocational, social counseling and mental health services;
- (3) Community-based shelter and residential facilities;

(4) Oversight of youth services; and

(5) Other programs which encourage the development of positive self-images and useful skills in such youth.

The executive director of the office of youth services shall submit annual reports to the legislature no later than twenty days prior to the convening of each regular session, reporting the services or programs funded pursuant to this section, the number of youth served by each service or program, and the results of the services or programs funded.

To this end, on July 1, 1991, this office shall assume the responsibilities for juvenile corrections functions, which were temporarily placed in the department of corrections pursuant to Act 338 of 1987. These functions shall include, but not be limited to, all responsibilities, under chapter 352, for the Hawaii youth correctional facilities."

2. By amending Section 17 of the bill to read:

"SECTION 17. There is appropriated out of the general revenues of the State of Hawaii the sum of \$1,260,500 or so much thereof as may be necessary for fiscal year 2014-2015 for the necessary costs and expenses incurred in carrying out the purposes of this Act.

The sum appropriated shall be expended by the office of youth services for the purposes of this Act."

Representative Luke moved that Floor Amendment No. 8 be adopted, seconded by Representative McKelvey.

Representative Luke rose to speak in support of the proposed floor amendment, stating:

"Thank you, Mr. Speaker. I would like to thank the Chair of Human Services and Chair of Judiciary for moving this bill forward. The floor amendment is basically just removing a provision that does not allow lapsing of these funds. Thank you."

Representative Carroll rose in support of the proposed floor amendment and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Carroll's written remarks are as follows:

"Thank you, Mr. Speaker. Mr. Speaker, I am in support of HB 2490, which enhances the juvenile justice system through a variety of initiatives that seek to strengthen the system as a whole. This proposal is the result of a working group comprised of representatives from the executive, legislative and judicial branches of government as well as key stakeholder groups from law enforcement, the prosecutors and public defenders offices, and community service providers.

"As co-chair of this working group, I would like to specifically extend my gratitude to Deputy Director Barbara Yamashita of the Department of Human Services and Judge Browning of the Family Court system. Their insights and passion for this issue helped propel us forward to where we are today.

"This measure will give our troubled youth here in Hawaii a better shot at becoming well-adjusted adults. Adults, who can contribute to our society and our local communities in meaningful ways. By concentrating secure bed space on serious juvenile offenders; strengthening disposition, adjustment, diversion and services available for those offenders; as well as increasing interagency collaboration and establishing a temporary oversight committee, we are providing those juveniles, who would normally fall through the cracks, a safety net to keep them from moving further down a bad path into a negative lifestyle.

"This measure is not only for the benefit of Hawaii's youth. In fact, everyone benefits when public safety can be strengthened and when children are given the tools to reach healthy and productive futures.

"Mr. Speaker and distinguished Members of this Body, I urge everyone to please take careful consideration of this bill and to vote in support of HB 2490. Thank you."

The motion that Floor Amendment No. 8, amending H.B. No. 2490, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO JUVENILE JUSTICE," be adopted, was put to vote by the Chair and carried, with Representatives Hashem and Ito being excused.

At 10:27 o'clock a.m., the Chair noted that Floor Amendment No. 8 was adopted.

At this time, the Chair stated:

"The floor amendment has passed. Members, please note the 48-hour notice for this measure.

"Members, please turn to page 22, Conference Committee Report Number 136-14."

Conf. Com. Rep. No. 136-14 and S.B. No. 2948, SD 1, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 2948, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative Cabanilla.

At this time, Representative Luke offered Floor Amendment No. 9, amending S.B. No. 2948, SD 1, HD 1, CD 1, as follows:

"SECTION 1. S.B. No. 2948, S.D. 1, H.D. 1, C.D. 1, is amended as follows:

1. By amending Section 1 of the bill to read:

"SECTION 1. The legislature finds that the public utilities commission is undergoing a major transition due to increased work complexity and program responsibilities, particularly in the area of energy regulation. To ensure that the mission of the public utilities commission is adequately supported, the commission should transition from its current administrative status within the department of budget and finance to being administratively attached to the department of commerce and consumer affairs; subject to certain limitations on the oversight role of the department of commerce and consumer affairs.

The legislature further finds that the commission's internal management capacity needs to be updated. The chairperson of the commission is in need of an executive officer to assist with managing the operations of the commission. The creation of an executive officer position to oversee the management and recruitment of personnel, budget planning and implementation, strategic planning and implementation, procurement and contract administration, and implementation of administrative programs and projects will enable the chairperson of the commission to focus on the growing number and increasingly technical complexity of issues brought before the commission. Enabling the commission to establish two civil service positions, a personnel officer and a fiscal officer, will further support the commission and provide for a seamless transition.

The legislature additionally finds that the division of consumer advocacy of the department of commerce and consumer affairs protects and advances the interests of Hawaii's consumers of regulated public utilities. The executive director and staff members of the division of consumer advocacy attend public hearings held by the public utilities commission to get input from the public, which helps them to better understand the consumer's perspective on utility services and rates. Because this understanding is an integral part of the division's work, the legislature concludes that the executive director of the division of consumer advocacy, rather than the director of commerce and consumer affairs, should be the consumer advocate in hearings before the public utilities commission.

The purpose of this Act is to adequately support the mission of the public utilities commission, ensure the efficient operation of the public utilities commission, address the role of the consumer advocate, and ensure that important decisions relating to public utilities continue to be made in the public interest by:

(1) Transferring the administrative placement of the public utilities commission from the department of budget and finance to the department of commerce and consumer affairs; subject to certain

limitations on the oversight and administrative support role of the department of commerce and consumer affairs;

- (2) Clarifying that notwithstanding section 26-35, Hawaii Revised Statutes, the public utilities commission has authority concerning standard administrative practices, including operational expenditures and the hiring of personnel;
- (3) Enabling the chairperson of the public utilities commission to appoint, employ, and dismiss an executive officer to manage the operations of the commission;
- (4) Enabling the chairperson of the public utilities commission to appoint, employ, and dismiss a fiscal officer and a personnel officer to further support the administrative activities of the commission and fulfill the administrative support functions formerly provided by the department of budget and finance;
- (5) Establishing that the executive director of the division of consumer advocacy shall be the consumer advocate; and
- (6) Appropriating funds to effectuate the transfer of the public utilities commission and for the hiring of an executive officer, a fiscal officer, and a personnel officer within the public utilities commission."

2. By amending Section 7 of the bill to read:

"SECTION 7. Section 269-33, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) There is established in the state treasury a public utilities commission special fund to be administered by the public utilities commission. The proceeds of the fund shall be used by the public utilities commission and the division of consumer advocacy of the department of commerce and consumer affairs for all expenses incurred in the administration of chapters 269, 271, 271G, 269E, and 486J[;], and for costs incurred by the department of commerce and consumer affairs to fulfill the department's limited oversight and administrative support functions; provided that the expenditures of the public utilities commission shall be in accordance with legislative appropriations. On a quarterly basis, an amount not exceeding thirty per cent of the proceeds remaining in the fund after the deduction for central service expenses, pursuant to section 36-27, shall be allocated by the public utilities commission to the division of consumer advocacy and deposited in the compliance resolution fund established pursuant to section 26-9(o); provided that all moneys allocated by the public utilities commission from the fund to the division of consumer advocacy shall be in accordance with legislative appropriations.""

Representative Luke moved that Floor Amendment No. 9 be adopted, seconded by Representative McKelvey.

Representative Luke rose to speak in support of the proposed floor amendment, stating:

"Thank you very much, Mr. Speaker. On this bill I would like to thank the CPC Chair for working diligently on this bill. The floor amendment is pretty much to readjust the ceiling when this PUC is transferred to DCCA to remain at the current level. Thank you."

Representative McKelvey rose to speak in support of the proposed floor amendment, stating:

"Thank you, Mr. Speaker. In support. I would like to thank the Finance Chair for working with us on this issue, so that we can resolve the situation and make sure that the bill is fiscally sound. So thank you again, and comments into the Journal if I may. Thank you."

Representative McKelvey's written remarks are as follows:

"The Public Utilities Commission is currently experiencing a major transition due to the increased mandated program responsibilities. I support this measure due to the increased workload complexity particularly in the area of energy regulation. Mr. Speaker, the numerous technically complex policy matters that the PUC is tasked with affect every one of Hawaii's people on a day-to-day basis. Further, I believe this measure will

help avoid any future ambiguity regarding the PUC's autonomy and ability to hire the proper personnel and make the necessary expenditures to support it in carrying out its various regulatory responsibilities within the legislatively-approved budget."

The motion that Floor Amendment No. 9, amending and S.B. No. 2948, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC UTILITIES COMMISSION," be adopted, was put to vote by the Chair and carried, with Representative Ito being excused.

At 10:29 o'clock a.m., the Chair noted that Floor Amendment No. 9 was adopted.

At this time, the Chair stated:

"The floor amendment has passed. Members, please note the 48-hour notice for this measure.

"Members, we are going to go out of order, we're going to move to the concurrent resolutions as listed on pages 25 through 30."

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1697-14) recommending that S.C.R. No. 31, SD 1 be adopted.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.C.R. No. 31, SD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE AUDITOR TO CONDUCT A SUNRISE REVIEW OF THE LICENSURE AND REGULATION OF HERBAL THERAPISTS," was adopted, with Representatives Ito and Takai being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1698-14) recommending that S.C.R. No. 34, SD 1 be adopted.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.C.R. No. 34, SD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE AUDITOR TO ASSESS THE SOCIAL AND FINANCIAL IMPACTS OF REQUIRING HEALTH INSURERS TO OFFER COVERAGE FOR HEARING AIDS," was adopted, with Representatives Ito and Takai being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1699-14) recommending that S.C.R. No. 113, SD 1 be adopted.

Representative Saiki moved that the report of the Committee be adopted, and that S.C.R. No. 113, SD 1 be adopted, seconded by Representative Cabanilla.

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

"Mr. Speaker, in support with reservations. Mr. Speaker, my reservations with this measure is that multiple studies have already been done in regards to examining the possible long-term solutions to the flooding issues at Kahuku High School and Intermediate School. The problem isn't that we don't have enough studies. The problem isn't that we don't know what the solutions are. The problem, Mr. Speaker, is that we have failed to take action over the past couple decades.

"This is a problem that isn't new. There have been multiple studies. One in particular that was very thorough, that was conducted by the Army Corps of Engineers which developed four possible solutions for the flooding at Kahuku. Mr. Speaker, my concern here is that we continue to delay taking action by simply throwing out an emphasis to do more studies when we already know, Mr. Speaker. When we already know.

"The people in Kahuku, the people over there in Koolauloa know what the studies are going to tell us, know what the solutions are. The last thing we need, Mr. Speaker, is another study which is going to add further costs to these various organizations, and add costs to the State of Hawaii. Mr. Speaker, we need to be a little more frugal and wise with the resources that we're spending. And if maybe we had put all the money that we've pressed towards the studies and actually put those resources towards a solution, I think we would've already solved the problem, Mr. Speaker.

"So my concern with this measure is, my reservations are that we dump more resources into the studies without moving to action, Mr. Speaker, and in these days and these times given the challenges that we have both economically with the economy and with our education system, we need solutions and we need actions, Mr. Speaker, and a few less studies. For those reasons, Mr. Speaker, I have reservations in regards to this measure. Permission to insert written comments, Mr. Speaker."

Representative Fale's written remarks are as follows:

"Mr. Speaker, I rise with reservations regarding SCR 113, SD1. This measure is REQUESTING THE DEPARTMENT OF EDUCATION, DEPARTMENT OF LAND AND NATURAL RESOURCES, CITY AND COUNTY OF HONOLULU, AND UNITED STATES ARMY CORPS OF ENGINEERS TO CONVENE A WORKING GROUP TO EXAMINE POSSIBLE LONG-TERM SOLUTIONS TO THE FLOODING ISSUES AT KAHUKU HIGH AND INTERMEDIATE SCHOOL.

"Mr. Speaker, it is important to point out that numerous studies have already been conducted regarding the flooding at Kahuku High and Intermediate School.

"In 1991, the Kahuku Flood Relief Task Force Committee was formed.

"In 1993, the Kahuku Master Flood Control Plan was completed by the State of Hawaii Department of Land and Natural Resources (DLNR).

"In 2012, the Kahuku Storm Damage Reduction Project, Kahuku, Oahu, Hawaii report was completed with the assistance of the US Army Corps of Engineers. This project was an Environmental Assessment.

"Mr. Speaker the information is available, the studies have been done and the options for flood mitigation are covered in detail in the 2012 Kahuku Storm Damage Reduction Project. We already know what needs to be done. We don't need another study; we need action that will fund the recommended projects in these studies, in order to address the flooding issue at Kahuku High and Intermediate School.

"Mr. Speaker, for these reasons I rise with reservations regarding SCR 113, SD1."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.C.R. No. 113, SD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF EDUCATION, DEPARTMENT OF LAND AND NATURAL RESOURCES, CITY AND COUNTY OF HONOLULU, AND UNITED STATES ARMY CORPS OF ENGINEERS TO CONVENE A WORKING GROUP TO EXAMINE POSSIBLE LONG-TERM SOLUTIONS TO THE FLOODING ISSUES AT KAHUKU HIGH AND INTERMEDIATE SCHOOL," was adopted, with Representatives Ito and Takai being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1700-14) recommending that S.C.R. No. 116 be adopted.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.C.R. No. 116, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE HAWAII ACCESS TO JUSTICE COMMISSION TO CONVENE A WORKING GROUP TO DEVELOP AN EDUCATIONAL LOAN REPAYMENT PROGRAM FOR WILLIAM S. RICHARDSON SCHOOL OF LAW GRADUATES TO EXPAND OPPORTUNITIES TO PURSUE PUBLIC INTEREST CAREERS IN

HAWAII THAT DIRECTLY SERVE UNDERSERVED COMMUNITIES," was adopted, with Representatives Ito and Takai being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1701-14) recommending that S.C.R. No. 118 be adopted.

Representative Saiki moved that the report of the Committee be adopted, and that S.C.R. No. 118 be adopted, seconded by Representative Cabanilla.

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.C.R. No. 118, entitled: "SENATE CONCURRENT RESOLUTION URGING THE DEPARTMENT OF HAWAIIAN HOME LANDS TO SUBMIT A REPORT TO THE LEGISLATURE REGARDING ITS POLICY TO DEVELOP RENTAL PROPERTIES FOR OCCUPANCY BY ITS BENEFICIARIES AND ENSURE THAT BENEFICIARIES MAINTAIN THEIR PLACEMENT ON THE WAITLIST FOR HOMESTEAD LEASES WHILE RESIDING IN A DEPARTMENT RENTAL," was adopted, with Representatives Ito and Takai being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1702-14) recommending that S.C.R. No. 13 be adopted.

Representative Saiki moved that the report of the Committee be adopted, and that S.C.R. No. 13 be adopted, seconded by Representative Cabanilla.

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.C.R. No. 13, entitled: "SENATE CONCURRENT RESOLUTION APPROVING THE SALE OF THE LEASED FEE INTEREST IN 41-669 INOAOLE STREET, WAIMANALO, HAWAII," was adopted, with Representative Jordan voting no, and with Representatives Ito and Takai being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1703-14) recommending that S.C.R. No. 24 be adopted.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.C.R. No. 24, entitled: "SENATE CONCURRENT RESOLUTION AUTHORIZING THE ISSUANCE OF A TERM, NON-EXCLUSIVE EASEMENT COVERING PORTION OF STATE SUBMERGED LANDS AT KANEOHE, KOOLAUPOKO, OAHU, FOR THE MAINTENANCE AND REPAIR OF THE EXISTING SEAWALL, AND FOR USE, MAINTENANCE, AND REPAIR OF THE EXISTING IMPROVEMENTS CONSTRUCTED THEREON," was adopted, with Representatives Ito and Takai being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1704-14) recommending that S.C.R. No. 56, SD 1 be adopted.

Representative Saiki moved that the report of the Committee be adopted, and that S.C.R. No. 56, SD 1 be adopted, seconded by Representative Cabanilla.

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."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.C.R. No. 56, SD 1, entitled: "SENATE CONCURRENT RESOLUTION AUTHORIZING THE ISSUANCE OF A LEASE COVERING A PORTION OF STATE SUBMERGED LANDS AT PIERS 24 TO 26 IN HONOLULU HARBOR, OAHU, FOR PACIFIC SHIPYARDS INTERNATIONAL," was adopted, with Representatives Ito and Takai being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1705-14) recommending that S.C.R. No. 77, SD 1 be adopted.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.C.R. No. 77, SD 1, entitled: "SENATE CONCURRENT RESOLUTION AUTHORIZING THE ISSUANCE OF A TERM, NON-EXCLUSIVE EASEMENT, COVERING A PORTION OF STATE SUBMERGED LANDS AT WAIHOLI-KEOKEA HOMESTEADS, KIHEI, MAUI, FOR SEAWALL AND ROCK REVETMENT PURPOSES," was adopted, with Representatives Ito and Takai being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1706-14) recommending that S.C.R. No. 78, SD 1 be adopted.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.C.R. No. 78, SD 1, entitled: "SENATE CONCURRENT RESOLUTION AUTHORIZING THE ISSUANCE OF A TERM, NON-EXCLUSIVE EASEMENT COVERING A PORTION OF STATE SUBMERGED LANDS AT KAILUA, KOOLAUPOKO, OAHU, FOR ROCK BLANKET AND REVETMENT PURPOSES," was adopted, with Representatives Ito and Takai being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1707-14) recommending that S.C.R. No. 12 be adopted.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.C.R. No. 12, entitled: "SENATE CONCURRENT RESOLUTION AUTHORIZING THE ISSUANCE OF A LEASE AND EASEMENT OF CERTAIN SUBMERGED LANDS AT MANELE BAY, LANA'I, TO LANA'I RESORTS, LLC," was adopted, with Representatives Ito and Takai being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1708-14) recommending that S.C.R. No. 16 be adopted.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.C.R. No. 16, entitled: "SENATE CONCURRENT RESOLUTION AUTHORIZING THE ISSUANCE OF A TERM, NON-EXCLUSIVE EASEMENT COVERING PORTION OF STATE SUBMERGED LANDS AT HEEIA, KOOLAUPOKO, OAHU, FOR THE MAINTENANCE AND REPAIR OF THE EXISTING PIER, AND FOR USE, MAINTENANCE, AND REPAIR OF THE EXISTING IMPROVEMENTS CONSTRUCTED THEREON," was adopted, with Representatives Ito and Takai being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1709-14) recommending that S.C.R. No. 17 be adopted.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.C.R. No. 17, entitled: "SENATE CONCURRENT RESOLUTION AUTHORIZING THE ISSUANCE OF A TERM, NON-EXCLUSIVE EASEMENT COVERING PORTION OF STATE SUBMERGED LANDS AT LAIE, KOOLAULO, OAHU, FOR THE MAINTENANCE AND REPAIR OF THE EXISTING REVETMENT AND STEPS, AND FOR USE, MAINTENANCE, AND REPAIR OF THE EXISTING

IMPROVEMENTS CONSTRUCTED THEREON," was adopted, with Representatives Ito and Takai being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1710-14) recommending that S.C.R. No. 18 be adopted.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.C.R. No. 18, entitled: "SENATE CONCURRENT RESOLUTION AUTHORIZING THE ISSUANCE OF A TERM, NON-EXCLUSIVE EASEMENT COVERING PORTION OF STATE SUBMERGED LANDS AT NIU, HONOLULU, OAHU, FOR THE MAINTENANCE AND REPAIR OF THE EXISTING SEAWALL AND STEPS, AND FOR USE, MAINTENANCE, AND REPAIR OF THE EXISTING IMPROVEMENTS CONSTRUCTED THEREON," was adopted, with Representatives Ito and Takai being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1711-14) recommending that S.C.R. No. 19 be adopted.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.C.R. No. 19, entitled: "SENATE CONCURRENT RESOLUTION AUTHORIZING THE ISSUANCE OF A TERM, NON-EXCLUSIVE EASEMENT COVERING PORTION OF STATE SUBMERGED LANDS AT KAHALUU, KOOLAUPOKO, OAHU, FOR THE MAINTENANCE AND REPAIR OF THE EXISTING LANDSCAPING AREA, CONCRETE WALL, AND FOOTING, AND FOR USE, MAINTENANCE, AND REPAIR OF THE EXISTING IMPROVEMENTS CONSTRUCTED THEREON," was adopted, with Representatives Ito and Takai being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1712-14) recommending that S.C.R. No. 20 be adopted.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.C.R. No. 20, entitled: "SENATE CONCURRENT RESOLUTION AUTHORIZING THE ISSUANCE OF A TERM, NON-EXCLUSIVE EASEMENT COVERING PORTION OF STATE SUBMERGED LANDS AT MOKULEIA, WAIALUA, OAHU, FOR THE MAINTENANCE AND REPAIR OF THE EXISTING SEAWALL AND CONCRETE FOOTING, AND FOR USE, MAINTENANCE, AND REPAIR OF THE EXISTING IMPROVEMENTS CONSTRUCTED THEREON," was adopted, with Representatives Ito and Takai being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1713-14) recommending that S.C.R. No. 21 be adopted.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.C.R. No. 21, entitled: "SENATE CONCURRENT RESOLUTION AUTHORIZING THE ISSUANCE OF A TERM, NON-EXCLUSIVE EASEMENT COVERING PORTION OF STATE SUBMERGED LANDS AT KUALOA, KOOLAUPOKO, OAHU, FOR THE MAINTENANCE AND REPAIR OF THE EXISTING SEAWALL AND STEPS, AND FOR USE, MAINTENANCE, AND REPAIR OF THE EXISTING IMPROVEMENTS CONSTRUCTED THEREON," was adopted, with Representatives Ito and Takai being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1714-14) recommending that S.C.R. No. 22 be adopted.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.C.R. No. 22, entitled: "SENATE CONCURRENT RESOLUTION AUTHORIZING THE ISSUANCE OF A TERM, NON-EXCLUSIVE

EASEMENT COVERING PORTION OF STATE SUBMERGED LANDS AT HALEAHA, KOOLAULOA, OAHU, FOR THE MAINTENANCE AND REPAIR OF THE EXISTING SEAWALL, AND FOR USE, MAINTENANCE, AND REPAIR OF THE EXISTING IMPROVEMENTS CONSTRUCTED THEREON," was adopted, with Representatives Ito and Takai being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1715-14) recommending that S.C.R. No. 23 be adopted.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.C.R. No. 23, entitled: "SENATE CONCURRENT RESOLUTION AUTHORIZING THE ISSUANCE OF TWO (2) TERM, NON-EXCLUSIVE EASEMENTS COVERING PORTION OF STATE SUBMERGED LANDS AT MOKULEIA, WAIALUA, OAHU, FOR THE MAINTENANCE AND REPAIR OF THE EXISTING SEAWALL AND ROCK PILE, AND FOR USE, MAINTENANCE, AND REPAIR OF THE EXISTING IMPROVEMENTS CONSTRUCTED THEREON," was adopted, with Representatives Ito and Takai being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1716-14) recommending that S.C.R. No. 146 be adopted.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.C.R. No. 146, entitled: "SENATE CONCURRENT RESOLUTION AUTHORIZING THE ISSUANCE OF A TERM, NON-EXCLUSIVE EASEMENT COVERING A PORTION OF STATE SUBMERGED LANDS AT NIU, HONOLULU, OAHU, FOR THE USE, MAINTENANCE, REPAIR, REPLACEMENT, AND REMOVAL OF AN EXISTING CONCRETE PAD, LADDER, STEPS, AND ROCK WALLS AND FOR THE USE, MAINTENANCE, REPAIR, REPLACEMENT, AND REMOVAL OF THE EXISTING IMPROVEMENTS CONSTRUCTED THEREON," was adopted, with Representatives Ito and Takai being excused.

Representative Aquino, for the Committee on Public Safety, presented a report (Stand. Com. Rep. No. 1717-14) recommending that S.C.R. No. 120, SD 2 be adopted.

Representative Saiki moved that the report of the Committee be adopted, and that S.C.R. No. 120, SD 2 be adopted, seconded by Representative Cabanilla.

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

Representative Carroll rose and asked that the Clerk record a no vote 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 Hanohano rose and asked that the Clerk record a no vote for her, 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 Oshiro rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.C.R. No. 120, SD 2, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE GOVERNOR TO EXPLORE A COMPETITIVELY PROCURED PUBLIC-PRIVATE PARTNERSHIP AGREEMENT FOR A NEW SYSTEM OF CORRECTIONAL FACILITIES THAT MAY INCLUDE REENTRY CENTERS, REPORTING CENTERS, TREATMENT CENTERS, PRISONS, JAILS, AND HALFWAY HOMES, TO BE

OWNED AND OPERATED BY THE STATE AND ITS COUNTIES," was adopted, with Representatives Carroll, Hanohano and Har voting no, and with Representatives Ito and Takai being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1718-14) recommending that H.R. No. 52, as amended in HD 1, be adopted.

Representative Saiki moved that the report of the Committee be adopted, and that H.R. No. 52, HD 1 be adopted, seconded by Representative Cabanilla.

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

"Mr. Speaker, strong yes vote and written comments, please."

Representative Ward's written remarks are as follows:

"Mr. Speaker I rise in support of HR 52, HD 1.

"Taiwan has been a major player in the tremendous economic growth that the East Asian region has seen over the past few decades. The country is known for its high-quality manufacturing which is no doubt why many of our technological products are made there. In fact, Taiwan is the world's 18th largest economy. With this in mind, there is great potential benefit from Taiwan joining the Trans-Pacific Partnership for both the United States and Taiwan. We're looking at \$78 billion of social welfare for all the members of the Trans-Pacific Partnership if Taiwan becomes a member, this is a no-brainer."

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

"Mr. Speaker, in strong support with written comments."

Representative Say's written remarks are as follows:

"Mr. Speaker, I am in strong support of urging the United States to support the Republic of China (Taiwan) participation in the Trans-Pacific Partnership.

"The Republic of China should be given an opportunity to participate in this Asian agreement with others who have signed on to this economic agreement. Taiwan has always been a business partner with many foreign countries of Asia and the Pacific. Their involvement would be beneficial to all countries who are a part of the partnership and I wholeheartedly endorse Taiwan into this partnership from the Hawaii State Legislature House of Representatives.

"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.R. No. 52, HD 1, entitled: "HOUSE RESOLUTION URGING THE UNITED STATES TO SUPPORT THE REPUBLIC OF CHINA'S (TAIWAN) PARTICIPATION IN THE TRANS-PACIFIC PARTNERSHIP," was adopted, with Representatives Ito and Takai being excused.

SUPPLEMENTAL CALENDAR #1

REPORTS OF CONFERENCE COMMITTEES

At this time, the Chair stated:

"Members, please refer to your supplemental calendar number one. Members, as you are aware, the Senate President and I agreed on the 2014 Committees on Conference Procedures and provided that all conference negotiations were to be concluded by 6 p.m. on Friday April 25, 2014. Unfortunately, there were several bills which received approval to pass in amended form, but were not voted upon in conference by the 6 p.m. deadline.

"The President and I felt that since the conferees had reached timely agreement on these bills, and since approval by the fiscal committees was given, allowing these bills to die based on an internal procedural deadline would not be in the best interest of the people of Hawaii. Therefore, permission was given to re-enter conference negotiations at 4 p.m. yesterday on these specific measures. The conference committee reports and accompanying drafts, noted the 48-hour notice, are the products of these authorized negotiations."

Representatives Takumi and Ing, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1745, HD 2, SD 2, presented a report (Conf. Com. Rep. No. 150-14) recommending that H.B. No. 1745, HD 2, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 150-14 and H.B. No. 1745, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," was deferred for a period of 48 hours.

Representatives Takumi, Rhoads and Luke, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1796, HD 2, SD 1, presented a report (Conf. Com. Rep. No. 151-14) recommending that H.B. No. 1796, HD 2, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 151-14 and H.B. No. 1796, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," was deferred for a period of 48 hours.

Representatives Takumi, Nakashima and Nishimoto, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2257, HD 2, SD 2, presented a report (Conf. Com. Rep. No. 152-14) recommending that H.B. No. 2257, HD 2, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 152-14 and H.B. No. 2257, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DEPARTMENT OF EDUCATION SUPERINTENDENT'S SALARY," was deferred for a period of 48 hours.

At 10:40 o'clock a.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 10:41 o'clock a.m.

SUSPENSION OF RULES

At this time, the Chair stated:

"Members, turn to your yellow action sheets at this time."

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the rules were suspended for the purpose of reconsidering action previously taken in disagreeing to amendments made by the Senate to a certain House Bills. (Representatives Ito and Takai were excused.)

RECONSIDERATION OF ACTION TAKEN

Representative Saiki moved that the House reconsider its action previously taken in disagreeing to the amendments made by the Senate, and give notice of intent to agree to such amendments for the following House Bills, seconded by Representative Cabanilla and carried: (Representatives Ito and Takai were excused.)

H.B. No. 1616, HD 1, (SD 1)

H.B. No. 2019, HD 2, (SD 1)

H.B. No. 2320, HD 1, (SD 1)

**DISPOSITION OF MATTERS
PLACED ON THE CLERK'S DESK**

At this time, the Chair stated:

"Members, at this time please refer to your white action sheets."

Representative Saiki moved to agree to the amendments made by the Senate to the following House Concurrent Resolutions, seconded by Representative Cabanilla and carried: (Representatives Ito and Takai were excused.)

H.C.R. No. 14, (SD 1)
H.C.R. No. 78, HD 1, (SD 1)
H.C.R. No. 136, (SD 1)
H.C.R. No. 202, HD 1, (SD 1)
H.C.R. No. 238, (SD 1)

H.C.R. No. 14, SD 1:

Representative Saiki moved that H.C.R. No. 14, SD 1 be Adopted, seconded by Representative Cabanilla.

At 10:44 o'clock a.m., Representative Say requested a recess and the Chair declared a recess subject to the call of the Chair.

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

Representative Say rose, stating:

"Mr. Speaker, in just a clarification, on our Order of the Day, from pages 20 to 27, on page 27, Stand. Com. Report Number 1707-14, Senate Concurrent Resolution Number 8, Authorizing the Issuance of a Lease and Easement of Certain Submerged Lands at Manele Bay, Lanai, to Lanai Resorts, LLC, didn't we adopt it?"

The Chair then stated:

"I believe we adopted the Senate Concurrent Resolution."

Representative Say: "Right, and now we are adopting our House Concurrent Resolution, which is the same thing. Do we have to adopt both? My position is that you can adopt just the one that we adopted, which is the Senate Concurrent."

The motion was put to vote by the Chair and carried, and H.C.R. No. 14, SD 1, entitled: "HOUSE CONCURRENT RESOLUTION AUTHORIZING THE ISSUANCE OF A LEASE AND EASEMENT OF CERTAIN SUBMERGED LANDS AT MANELE BAY, LANAI, TO LANAI RESORTS, LLC," was Adopted, with Representative Ito being excused.

H.C.R. No. 78, HD 1, SD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, H.C.R. No. 78, HD 1, SD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF HEALTH TO CONVENE A FAMILY CAREGIVERS WORKING GROUP TO EXAMINE AND ASSESS THE ROLE OF CAREGIVING FOR PATIENTS RELEASED FROM HOSPITALS, THE STATE OF THEIR OVERALL CIRCUMSTANCES, AND THE RESOURCES IN THE COMMUNITY NEEDED AND AVAILABLE TO ASSIST THEM," was Adopted, with Representative Ito being excused.

H.C.R. No. 136, SD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, H.C.R. No. 136, SD 1, entitled: "HOUSE

CONCURRENT RESOLUTION AUTHORIZING THE ISSUANCE OF A TERM, NON-EXCLUSIVE EASEMENT, COVERING A PORTION OF STATE SUBMERGED LANDS AT WAIHOLI-KEOKEA HOMESTEADS, KIHEI, MAUI, FOR SEAWALL AND ROCK REVETMENT PURPOSES," was Adopted, with Representative Ito being excused.

H.C.R. No. 202, HD 1, SD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, H.C.R. No. 202, HD 1, SD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE CONVENING OF A WORKING GROUP TO RECOMMEND WAYS TO REDUCE INCIDENTS OF SEPSIS AND SEPSIS DEATHS IN THE STATE," was Adopted, with Representative Ito being excused.

H.C.R. No. 238, SD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, H.C.R. No. 238, SD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE SUPERINTENDENT OF EDUCATION AND THE DIRECTOR OF HEALTH TO FORM A WORKING GROUP TO ASSESS WHETHER CHILDREN IN HAWAII WHO ARE DEAF OR SEVERELY HARD OF HEARING AND WHO CHOOSE THE AURAL/ORAL ROUTE OF COMMUNICATION RECEIVE PROPER TRAINING AND SUPPORT TO LEARN SPOKEN LANGUAGE SKILLS," was Adopted, with Representative Ito being excused.

At 10:48 o'clock a.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 10:52 o'clock a.m.

LATE INTRODUCTIONS

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

Representative Belatti introduced representatives from Child and Family Services.

Representative Fale introduced Mr. Doug Cole, Executive Director, North Shore Community Land Trust.

Representative Wooley introduced Ms. Denise Antolini, Associate Dean for Academic Affairs, University of Hawaii at Manoa William S. Richardson School of Law.

ORDINARY CALENDAR

At this time, the Chair stated:

"Members, we are on item number five, Ordinary Calendar, Unfinished Business."

Conf. Com. Rep. No. 2-14 and S.B. No. 2657, SD 2, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2657, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO RENEWABLE ENERGY," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 4-14 and S.B. No. 2768, SD 2, HD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 2768, SD 2, HD 2, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

"Thank you, Mr. Speaker. I'm rising in support of the bill to establish mandatory kindergarten. I wanted to thank the Members of this Body for passing House Bill 14, which was the measure that we sent over to the Senate establishing mandatory kindergarten. When it reached the Senate it kind of morphed into this existing bill. So I would thank all of the Members for their strong support from the beginning, and I would encourage everyone to vote aye on this measure. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2768, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO KINDERGARTEN," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 5-14 and H.B. No. 2560, HD 2, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2560, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

Representative Carroll's written remarks are as follows:

"Thank you, Mr. Speaker. I am writing in support of HB 2560, Relating to Family Child Care Homes. The purpose of this measure is to assist child care providers located in agriculturally designated districts in meeting the child care needs of the community by: allowing the continued operation of family child care homes in agriculturally designated districts if located in a farm dwelling; and authorizing caregivers in family child care homes to provide care for one to six, rather than three to six, children unrelated to the caregivers.

"Mr. Speaker, there is a lack of local, affordable child care available to farmers and others living in agricultural districts in Hawaii. This bill would provide much needed local options for child care to those communities, allowing parents to obtain care for their children in close proximity to their work and homes. Many qualified child care providers in Maui County's agricultural districts, including Haiku, Makawao and Kula, do not have the funds, time or expertise to obtain the special use permit currently required to provide child care services. Quality child care is absolutely necessary for optimal child development, but it is often too expensive or too distant for farm families. This measure would allow farmers to take care of their own children, as well as other children in their communities, in an affordable, local environment.

"Many of the communities in the district that I serve are agricultural communities. Family-based child care is not only often the preferred form of care due to the fact that it aligns with many rural families' values and lifestyles, it is one of the primary forms of care available on the neighbor islands.

"Furthermore, Mr. Speaker, the availability of quality, home-based family child care in Hawaii's rural, agricultural communities is critical to perpetuating our agricultural heritage in a manner that increases food security – putting local food on local plates – as well as providing early learning that helps to ensure that the next generation is willing and able to take responsibility in the future for our local farms and ranches.

"Mr. Speaker and distinguished Members of this Body, this measure allows hard working agricultural communities to provide meaningful quality child care. I urge everyone to please take careful consideration of this bill and to vote in support of HB 2560. 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. 2560, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FAMILY CHILD CARE HOMES," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 6-14 and S.B. No. 2577, SD 2, HD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2577, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO NATUROPATHIC PHYSICIANS," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 8-14 and S.B. No. 2809, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2809, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO UTILITIES REGULATION," passed Final Reading by a vote of 48 ayes to 2 noes, with Representatives Fale and McDermott voting no, and with Representative Ito being excused.

Conf. Com. Rep. No. 9-14 and H.B. No. 2251, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B. No. 2251, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HOUSING LOAN AND MORTGAGE PROGRAM," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 10-14 and S.B. No. 2391, SD 2, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2391, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC LANDS," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 11-14 and S.B. No. 2877, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2877, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO USE PERMITS FOR SMALL BOAT HARBOR FACILITIES," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 12-14 and S.B. No. 651, SD 2, HD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 651, SD 2, HD 2, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 651, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," passed Final Reading by a vote of 45 ayes to 5 noes, with Representatives Fale, Har, Jordan, McDermott and Oshiro voting no, and with Representative Ito being excused.

Conf. Com. Rep. No. 13-14 and S.B. No. 2048, SD 1, HD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 2048, SD 1, HD 2, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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. In my private job I work for the cable company," and the Chair ruled, "no conflict."

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

"Thank you, Mr. Speaker. In opposition to this bill. And Mr. Speaker, I'd like to use my Floor speech from Third Reading when this bill went over to the Senate for the sake of time. Thank you, Mr. Speaker," and the Chair "so ordered." (By reference only.)

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

"Mr. Speaker, possible conflict of interest. I own some stocks in cable. Thank you," and the Chair ruled, "no conflict."

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

"Mr. Speaker, with strong reservations. Thank you."

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

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

"Thank you, Mr. Speaker. While in support, I have very strong reservations about this bill and I think this issue needs to be closely scrutinized going forward and revisited if there are already concerns to surface. But thank you, and so I'm voting with reservations."

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

"Thank you, Mr. Speaker. I stand in support, but would like the words of the previous speaker entered into the record as my own as a commitment to continue to resolve the issues that have presented themselves with this measure."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2048, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CABLE TELEVISION SYSTEMS," passed Final Reading by a vote of 35 ayes to 15 noes, with Representatives Awana, Choy, Hanohano, Har, Hashem, Ichiyama, Jordan, Kawakami, McDermott, Oshiro, Say, Takayama, Tokioka, Tsuji and Yamashita voting no, and with Representative Ito being excused.

Conf. Com. Rep. No. 14-14 and S.B. No. 2742, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2742, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ESTABLISHMENT OF THE PACIFIC-ASIA INSTITUTE FOR RESILIENCE AND SUSTAINABILITY," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 15-14 and H.B. No. 452, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B. No. 452, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTION FRAUDS," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 17-14 and S.B. No. 2082, SD 1, HD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 2082, SD 1, HD 2, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2082, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LAND COURT," passed Final Reading by a vote of 48 ayes to 2 noes, with Representatives Fale and McDermott voting no, and with Representative Ito being excused.

Conf. Com. Rep. No. 19-14 and S.B. No. 3121, SD 1, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 3121, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative Cabanilla.

Representative Say 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:

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

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

"Mr. Speaker, I rise in opposition. Mr. Speaker, this bill is all about how we transfer land, exchange land, how we divvy up land between different owners. Mr. Speaker, the State of Hawaii has 4.1 million acres. If we use this bill as a precedent on how we can exchange and transfer those lands, I think we're in trouble. Why do I say that? Even though this bill is better than what it used to be, it used to be that it was a disapproval, now we have to approve. But here's the issue. With that 4.1 million acres, 1.8 million acres is being asked to be transferred to a new sovereign entity of the Hawaiian Nation, kingdom or whatever it's going to be turned into. To say that we are going to approve 1.8 million acres or a fraction thereof by a simple majority vote is nonsense.

"Mr. Speaker, we need a consensus when it comes to the limited land base that we have in Hawaii. For these particular one acre here, two acres there with Galbraith Estate, okay, that's fine, this bill fits. But for the future, if we're going to talk about the transfer of 1.8 million acres in whatever shape or form, from ceded lands to ownership in a new sovereign entity, we need concurrence, we need to have a super majority. Mr. Speaker, this bill sets a bad precedent. It's better than it used to be, but it still smells the way, the future could be much better, it's not worded properly for what we have our eyes on.

"Part of our job is to look at the trees, but not miss the forest, Mr. Speaker. This is a governing body, and if we are going to be prepared for what the Hawaiians have been doing for the last 100 and some years, and now we say we're going to do a simple majority and vote to transfer these lands, I think we're being shortsighted, myopic and really blinded by what our responsibility is for the long run, not just the short run and what's in front of our face.

"Mr. Speaker, for those reasons, I beg the reconsideration of this to be not a simple majority, one vote more than half, but a super majority where everybody agrees that land will be transferred and everybody will agree with it. Thank you."

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

"Mr. Speaker, I would speak with some reservations on this measure and I kind of appreciate the statements made by the Emeritus Minority Leader. I think we need to approve on this cautiously, and there will be an interim before we vote, and I believe the Members should consider the strong statements that were made by the Minority Leader. Thank you."

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

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

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

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

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

Representative Ward's written remarks are as follows:

"Mr. Speaker, I rise in opposition of SB 3121.

"This measure does not pass the smell-test. When it comes to transferring one or two acres of land here and there, perhaps a simple majority approval suffices. However, when we are talking about transferring large amounts of land, a simple majority is not enough consensus to properly ensure that it is in the best interest of all members of Hawaii. Between 1959 and 2014, approximately 55,000 acres of the 1.2 million acres of land given to Hawaii from the federal government has been transferred to other owners. This is no small amount of land, and we could be talking larger numbers at some point in the future, especially if we change the supermajority approval currently required to a simple majority like we're discussing today. Loosening the governance of our land is simply bad policy.

"And as noted earlier, if and when we transfer part or all of the 1.8 million acres of ceded or Crown Lands to a to be determined sovereign Hawaiian entity, it is imperative – repeat, imperative – that we require a super majority vote to transfer the lands."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 3121, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC LAND," passed Final Reading by a vote of 38 ayes to 12 noes, with Representatives Carroll, Choy, Fale, Hanohano, Har, Kawakami, McDermott, McKelvey, Oshiro, Thielen, Tokioka and Ward voting no, and with Representative Ito being excused.

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 11:24 o'clock a.m.

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

"I have been informed by a representative of the President of the Senate that the Conference Committee Report for H.B. No. 1700, HD 1, SD 1, CD 1, was adopted, and said House Bill, Relating to the State Budget, passed Final Reading in the Senate at 11:12 a.m. on this day.

"In addition, I have been informed by the Assistant Clerk of the House that at 11:19 a.m. on this day, House Bill No. 1700, HD 1, SD 1, CD 1, has been duly transmitted by the Legislature to the Governor, pursuant to Article VII, Section 9 of the Hawaii State Constitution."

At 11:30 o'clock a.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 2657, SD 2, HD 1, CD 1
S.B. No. 2768, SD 2, HD 2, CD 1

H.B. No. 2560, HD 2, SD 2, CD 1
S.B. No. 2577, SD 2, HD 2, CD 1
S.B. No. 2809, SD 1, HD 1, CD 1
H.B. No. 2251, HD 1, SD 1, CD 1
S.B. No. 2391, SD 2, HD 1, CD 1
S.B. No. 2877, SD 1, HD 1, CD 1
S.B. No. 651, SD 2, HD 2, CD 1
S.B. No. 2048, SD 1, HD 2, CD 1
S.B. No. 2742, SD 1, HD 1, CD 1
H.B. No. 452, HD 1, SD 1, CD 1
S.B. No. 2082, SD 1, HD 2, CD 1
S.B. No. 3121, SD 1, HD 1, CD 1

LATE INTRODUCTIONS

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

Representative Say introduced Aliiolani Elementary School students; teachers, Mr. Scott Sakurada and Ms. Trisha Kodama; and chaperone, Ms. Margaret Miura.

Representative Fale introduced Ms. Lea Hong, Program Director, The Trust for Public Land, Hawaiian Islands.

Representative Wooley introduced Ms. Kat Brady, Coordinator, Community Alliance on Prisons; and Mr. Henry Curtis, Executive Director, Life of the Land.

CONSENT CALENDAR

UNFINISHED BUSINESS

At this time, the Chair stated:

"Members, we are going to go back to the Consent Calendar. Members, there will be no discussion on these items agreed to by this Body for placement on the Consent Calendar."

Conf. Com. Rep. No. 3-14 and S.B. No. 2134, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2134, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 7-14 and S.B. No. 2589, SD 2, HD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2589, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LAW ENFORCEMENT," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 16-14 and H.B. No. 1641, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B. No. 1641, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO GOVERNMENTAL ACCESS TO STORED COMMUNICATIONS," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 18-14 and S.B. No. 2953, SD 1, HD 3, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 2953, SD 1, HD 3, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

"Thank you, Mr. Speaker. Mr. Speaker, I am writing in support of SB 2953, which provides the department funding from geothermal royalties from potential geothermal projects on Hawaiian home lands.

"SB 2953 will provide DHHL with revenue to support the department's programs including homestead lot development, loans, rehabilitation programs, and administration expenses. Such royalties and resultant funding would greatly alleviate the long lists of qualified Hawaiians waiting to receive DHHL residential benefits.

"The bill in its current form reflects the substance of the very recent Attorney General opinion that concludes that DHHL is entitled to 100 percent of the royalties received by the state from geothermal developments on Hawaiian home lands.

"Mr. Speaker and distinguished Members of this Body, this measure has the potential to help a lot of Native Hawaiians. I urge everyone to please take careful consideration of this bill and to vote in support of SB 2953. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2953, SD 1, HD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE RESOURCES ON HAWAIIAN HOME LANDS," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 21-14 and H.B. No. 737, HD 2, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B. No. 737, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS TO ASSIST AGRICULTURAL ENTERPRISES," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 30-14 and S.B. No. 2729, SD 2, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 2729, SD 2, HD 1, CD 1 pass Final Reading, seconded by Representative Cabanilla.

Representative Oshiro's written remarks in opposition to the measure are as follows:

"Mr. Speaker, I rise to speak against this bill.

"On May 20, 2013, the Governor signed into law Act 74 which made it a violation to use a mobile electronic device while operating a motor vehicle in the state. When this Legislature approved House Bill No. 980 – less than one year ago – we found that:

"... the task of driving requires a driver's full attention in focusing on the roadway and driving maneuvers. Any distraction that diverts a driver's attention from the primary tasks of maneuvering the vehicle and responding to critical events increases the driver's risk of being involved in a motor vehicle crash." [See, Senate Standing Committee Report No. 948 on House Bill No. 980, House Draft 2, Senate Draft 1.]

"In less than one year, the Honolulu Police Department issued 11,007 citations for drivers who were holding a mobile electronic device while operating a motor vehicle. Because Act 74 made it a violation rather than infraction in the traffic code, persons cited were required to appear in district court on this matter.

"In less than one year, the bill before us was introduced to make it an infraction rather than a violation to use a mobile electronic device while operating a motor vehicle. If this bill goes into effect, a person cited would not have to appear in court. Instead, the person cited would only need to mail in a check for the amount of the fine.

"It would appear that there was an influx of citizens who were cited for using their mobile electronic devices while operating their motor vehicles who felt that having to appear in court was too much of a disruption to their daily lives – having to take off from work, or find a baby sitter, and appear shamefully before a judge along with real 'criminals' and 'miscreants' just because he or she used their cell phone in their car.

"But wasn't that the whole purpose of enacting Act 74 – to create a significant disincentive for drivers to use mobile electronic devices while operating their motor vehicles? Wasn't the reason for enacting Act 74 to prevent distracted driving and enhance the safety of our highways?

"And we are doing this less than one year since Act 74 was enacted.

"Approving this bill states as public policy that using mobile devices while operating a motor vehicle is no worse than letting your parking meter run out of time. Just pay a fine and go about your business. How does that truly make our highways safer? How is this sound policy making?

"For these reasons, I cannot and will not in good conscience support a bill like this. As such, I urge my colleagues to oppose this measure."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2729, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MOBILE ELECTRONIC DEVICES," passed Final Reading by a vote of 48 ayes to 2 noes, with Representatives Jordan and Oshiro voting no, and with Representative Ito being excused.

Conf. Com. Rep. No. 36-14 and H.B. No. 2213, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B. No. 2213, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO A WEST MAUI HOSPITAL," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 37-14 and H.B. No. 2304, HD 2, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B. No. 2304, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE NEUROTRAUMA ADVISORY BOARD," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 39-14 and H.B. No. 1723, HD 2, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B. No. 1723, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PSYCHIATRIC FACILITIES," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 46-14 and S.B. No. 1015, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 1015, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PRODUCTION OF RECORDS," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 50-14 and S.B. No. 2469, SD 2, HD 3, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2469, SD 2, HD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TELEHEALTH," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 62-14 and S.B. No. 2895, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2895, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXPAYER EDUCATION," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 63-14 and S.B. No. 2411, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2411, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SUBSIDIES," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 66-14 and S.B. No. 2288, SD 2, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2288, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 67-14 and S.B. No. 3125, SD 2, HD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 3125, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE FOUNDATION ON CULTURE AND THE ARTS," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 68-14 and S.B. No. 2483, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2483, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUM ASSOCIATIONS," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 69-14 and H.B. No. 2009, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B. No. 2009, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE MILK CONTROL," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 72-14 and H.B. No. 866, HD 2, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 866, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

"Thank you, Mr. Speaker. I am writing in support of HB 866, relating to sewer systems servicing on Hawaiian Home Lands. The purpose of this measure is to provide for the proper operation and maintenance of critical infrastructure servicing Hawaiian home lands by: affirming the counties' jurisdiction over and responsibility for existing sewer transmission lines and other sewerage facilities servicing Hawaiian home lands and specifying certain operational duties of the counties; and requiring the counties to accept the license or dedication and ownership of any additional sewer transmission lines and sewerage facilities servicing Hawaiian home lands upon demand by the department of Hawaiian home lands, subject to compliance with federal, state, and local environmental, design, and construction requirements.

"In the past, the sewer systems servicing Hawaiian Home Lands that were constructed by the Department of Hawaiian Home Lands have been

licensed to the counties. In these cases, the relevant county reviewed the plans for the systems, inspected construction of the systems, and gave final approval for the systems prior to accepting the responsibility to operate, improve, repair, and maintain the systems. The counties have historically collected and continue to collect sewer fees and other charges from lessees of Hawaiian Home Lands. The counties also are uniquely positioned to operate, improve, repair, maintain, and replace sewer transmission lines and other sewerage facilities.

"This Act clarifies and confirms the counties' ownership of and obligation to operate, improve, repair, maintain, and replace existing sewer systems servicing Hawaiian Home Lands that the counties developed, constructed, operated, improved, or maintained, or for which the counties otherwise have obligations to operate, improve, repair, maintain, or replace.

"Mr. Speaker and distinguished Members of this Mody, this measure will improve the lives of our Homesteaders by ensuring the operation and maintenance of safe and healthy living conditions. I urge everyone to please take careful consideration of this bill and to vote in support of HB 866. 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. 866, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SEWER SYSTEMS SERVICING ON HAWAIIAN HOME LANDS," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 76-14 and H.B. No. 1564, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B. No. 1564, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO VETERANS," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 77-14 and H.B. No. 1772, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B. No. 1772, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE GENERAL EXCISE TAX," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 79-14 and S.B. No. 3093, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 3093, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII AT HILO," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 83-14 and S.B. No. 3042, SD 2, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 3042, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LIQUOR LICENSE CLASSES," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 84-14 and S.B. No. 2308, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2308, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHILDREN," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 86-14 and S.B. No. 2345, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2345, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT

RELATING TO THE INVESTOR EDUCATION PROGRAM," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 90-14 and H.B. No. 1539, HD 1, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B. No. 1539, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII PUBLIC HOUSING AUTHORITY'S ADMINISTRATION OF THE HOUSING CHOICE VOUCHER PROGRAM," passed Final Reading by a vote of 49 ayes to 1 no, with Representative Jordan voting no, and with Representative Ito being excused.

Conf. Com. Rep. No. 91-14 and H.B. No. 648, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B. No. 648, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE FINANCES," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 95-14 and H.B. No. 2273, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B. No. 2273, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE MOTOR VEHICLE MECHANIC CERTIFICATION PROGRAM," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 96-14 and H.B. No. 1966, HD 1, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B. No. 1966, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYEES," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 98-14 and H.B. No. 2400, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B. No. 2400, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TEMPORARY DISABILITY BENEFITS," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 107-14 and S.B. No. 2073, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2073, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 108-14 and S.B. No. 2074, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2074, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 110-14 and H.B. No. 2152, HD 1, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B. No. 2152, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR EXPLORATION SYSTEMS," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 112-14 and H.B. No. 1752, HD 1, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1752, HD 1, SD 2, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

"Thank you, Mr. Speaker. I am writing in support of HB 1752, which appropriates funds to provide adult dental benefits to Medicaid enrollees.

"Restoring the Medicaid Dental Benefit for adults is long overdue. Oral health is not a separate issue from medical health, any more than a mouth can be separated from a body. Because dental benefits were cut, many Medicaid recipients wait until an oral health issue becomes a medical emergency before they seek treatment, usually in an emergency room, which becomes extremely expensive to the system.

"By some accounts, trips to our emergency rooms for dental problems are amongst the most important category of preventable emergency room visits amongst adult Medicaid recipients. We know these trips to the ER for dental issues cost the State of Hawaii a lot of money. We also know that Hawaii ranks #1 in the United States for poor oral hygiene amongst children. We cannot continue to imagine that there is no connection between adult dental coverage and children's access to affordable quality dental care. Naturally, parents with no history themselves of being able to access dental care are less likely to make sure their children do.

"Mr. Speaker and distinguished Members of this Body, this measure restores necessary dental coverage to those in our state that need it the most. I urge everyone to please take careful consideration of this bill and to vote in support of HB 1752. 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. 1752, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 114-14 and H.B. No. 2293, HD 2, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2293, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

"Thank you, Mr. Speaker. I am writing in support of HB 2293, which continues the Hospital Sustainability Program.

"By continuing the Hospital Sustainability Program, Hawaii residents will benefit by having more sustainable hospitals and increased access to necessary medical care.

"This program was enacted in 2012 (Act 217) to address the fact that Medicaid payments to hospitals were far below the actual costs of care. The Hospital Sustainability Program increases Medicaid payments to hospitals. The program achieves this by assessing a fee on hospitals, using the revenue to obtain matching federal Medicaid funds, and returning a majority of the combined amount directly to hospitals.

"I believe that this program is critical to ensuring that private hospitals can continue to provide quality healthcare for Medicaid patients across our state. A sustainable hospital network and health care industry is vital to the health and quality of life of all of our residents.

"Mr. Speaker and distinguished Members of this Body, this is an important program that helps ensure quality health care access to the residents of Hawaii. I urge everyone to please take careful consideration of this bill and to vote in support of HB 2293. 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. 2293, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HOSPITAL SUSTAINABILITY PROGRAM," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 118-14 and H.B. No. 1635, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B. No. 1635, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE JUDICIARY," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 124-14 and H.B. No. 2037, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B. No. 2037, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PROJECT KEALAHOU," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 125-14 and H.B. No. 2053, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B. No. 2053, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGING," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 126-14 and H.B. No. 2094, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B. No. 2094, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HOME CARE LICENSING," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

At 11:32 o'clock a.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 2134, SD 1, HD 1, CD 1
 S.B. No. 2589, SD 2, HD 2, CD 1
 H.B. No. 1641, SD 1, CD 1
 S.B. No. 2953, SD 1, HD 3, CD 1
 H.B. No. 737, HD 2, SD 1, CD 1
 S.B. No. 2729, SD 2, HD 1, CD 1
 H.B. No. 2213, HD 1, SD 1, CD 1
 H.B. No. 2304, HD 2, SD 2, CD 1
 H.B. No. 1723, HD 2, SD 1, CD 1
 S.B. No. 1015, SD 1, HD 1, CD 1
 S.B. No. 2469, SD 2, HD 3, CD 1
 S.B. No. 2895, SD 1, HD 1, CD 1
 S.B. No. 2411, SD 1, HD 1, CD 1
 S.B. No. 2288, SD 2, HD 1, CD 1
 S.B. No. 3125, SD 2, HD 2, CD 1
 S.B. No. 2483, SD 1, HD 1, CD 1
 H.B. No. 2009, SD 1, CD 1
 H.B. No. 866, HD 2, SD 2, CD 1
 H.B. No. 1564, HD 1, SD 1, CD 1
 H.B. No. 1772, HD 1, SD 1, CD 1
 S.B. No. 3093, SD 1, HD 1, CD 1
 S.B. No. 3042, SD 2, HD 1, CD 1
 S.B. No. 2308, SD 1, HD 1, CD 1
 S.B. No. 2345, SD 1, HD 1, CD 1
 H.B. No. 1539, HD 1, SD 2, CD 1
 H.B. No. 648, HD 1, SD 1, CD 1
 H.B. No. 2273, SD 2, CD 1
 H.B. No. 1966, HD 1, SD 2, CD 1
 H.B. No. 2400, SD 1, CD 1
 S.B. No. 2073, SD 1, HD 1, CD 1
 S.B. No. 2074, SD 1, HD 1, CD 1
 H.B. No. 2152, HD 1, SD 2, CD 1

H.B. No. 1752, HD 1, SD 2, CD 1
 H.B. No. 2293, HD 2, SD 2, CD 1
 H.B. No. 1635, SD 1, CD 1
 H.B. No. 2037, HD 1, SD 1, CD 1
 H.B. No. 2053, HD 1, SD 1, CD 1
 H.B. No. 2094, HD 1, SD 1, CD 1

At this time, the Chair stated:

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

ORDINARY CALENDAR

UNFINISHED BUSINESS

Conf. Com. Rep. No. 20-14 and S.B. No. 2330, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2330, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE KANEOHE BAY REGIONAL COUNCIL," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 22-14 and H.B. No. 1814, HD 2, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B. No. 1814, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PAYMENT OF WAGES," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 23-14 and H.B. No. 2448, HD 2, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B. No. 2448, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 24-14 and H.B. No. 1604, HD 2, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B. No. 1604, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTIONS," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 25-14 and H.B. No. 2188, HD 1, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2188, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2188, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE FUNDS," passed Final Reading by a vote of 48 ayes to 2 noes, with Representatives Fale and Matsumoto voting no, and with Representative Ito being excused.

Conf. Com. Rep. No. 26-14 and H.B. No. 2139, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B. No. 2139, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT

RELATING TO PUBLIC AGENCY MEETINGS," passed Final Reading by a vote of 47 ayes to 3 noes, with Representatives Carroll, Fukumoto and Matsumoto voting no, and with Representative Ito being excused.

At 11:35 o'clock a.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 2330, SD 1, HD 1, CD 1
 H.B. No. 1814, HD 2, SD 2, CD 1
 H.B. No. 2448, HD 2, SD 1, CD 1
 H.B. No. 1604, HD 2, SD 1, CD 1
 H.B. No. 2188, HD 1, SD 1, CD 1
 H.B. No. 2139, HD 1, SD 1, CD 1

Conf. Com. Rep. No. 31-14 and S.B. No. 2799, SD 2, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee and S.B. No. 2799, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION," were recommitted to the Committee on Conference, with Representative Ito being excused.

Conf. Com. Rep. No. 27-14 and H.B. No. 1706, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B. No. 1706, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ILLEGAL PARKING UPON BIKEWAYS," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 28-14 and H.B. No. 1811, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B. No. 1811, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TRANSPORTATION," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 29-14 and H.B. No. 1750, HD 1, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1750, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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. 1750, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC ORDER," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 32-14 and S.B. No. 2591, SD 1, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 2591, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

"Thank you, Mr. Speaker. In opposition. Mr. Speaker, I oppose this measure because we currently have a process that deals with police misconduct, and I'm concerned that this measure unnecessarily duplicates that process. Current policies include investigations and disciplinary action. Furthermore, the police chiefs are held accountable by each county's respective police commission, who are made up of members of the community who are appointed by each county's mayor and confirmed by the respective county councils. Additionally, when our prosecuting

attorneys move forward with a case, they file documents that disclose the officer's name to the general public.

"Mr. Speaker, I understand the issue and fully agree that police officers should be held accountable, and I believe that they already are. My concern is that these individuals put themselves in harm's way for the protection of the general public. Each day they kiss their spouses and children goodbye, and they know that they may be put in an extremely dangerous and stressful situation.

"Mr. Speaker, these are our brave hearts, they protect us, and we should avoid the erosion of their morale with measures like this, Mr. Speaker. Thank you."

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

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

"Same request for the eloquent speech from the Member from Kauai," and the Chair "so ordered." (By reference only.)

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

"Thank you, Mr. Speaker. In opposition. Thank you, Mr. Speaker. This bill requires pertinent information to be provided to the Legislature regarding the incidents of misconduct that result in suspension or discharge of a police officer. Our nation is and has been experiencing a shortage of law enforcement for some time now. In Hawaii, our HPD training program is among the best, if not the best, in our nation. So much that officers are recruited to other states upon graduation and while on the force. Elsewhere, they get paid more and their benefits package is extremely competitive.

"Some see this bill as providing transparency. I see this bill as doing just the opposite. This bill is an exercise in redundancy and creates a shadow of doubt to our hardworking men and women in blue. Instead of attracting our best and brightest, it repels individuals from considering this noble profession.

"If I may, Mr. Speaker, add into the Journal the testimony provided by Tenari Maafala, President of SHOPO, dated March 14, 2014. Thank you.

"Also included in the CD 1 version of this measure, a long list of requirements, including on page 7, line 8, you also need to provide the officer's social security numbers. Is this how we treat those in our community who place their lives on the line on a daily basis for us? This is not *pono*, Mr. Speaker. And for these reasons, I rise in opposition."

Representative Awana submitted the following testimony:

[Note: This space intentionally left blank.]

SHOPO



PRESIDENT
Tenari R. Ma'afala

VICE PRESIDENT
Malcolm Lutu

TREASURER
James "Kino" Smith

SECRETARY
Michael Cusumano

DIRECTORS AT LARGE
Don Faamua
John Haina
Enk Inuna

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Stanley Aquino

HAWAII CHAPTER CHAIR
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TO: The Honorable Karl Rhoads, Chair
House Committee on Judiciary

The Honorable Sharon E. Har, Vice Chair
House Committee on Judiciary

Members of the House Committee on Judiciary

FROM: Tenari Ma'afala, President *Tenari Ma'afala*
State of Hawaii Organization of Police Officers

DATE: March 14, 2014

SUBJECT: Testimony on S.B. No. 2591 S.D.1, Relating to Law Enforcement

HEARING DATE: Friday, March 14, 2014
2:00 p.m. Conference Room 325

This bill concerns the current annual reports submitted by the county police departments regarding incidents of misconduct that result in suspension or discharge of a police officer. The State of Hawaii Organization of Police Officers ("SHOPO") opposes this bill.

First and foremost, the wheel is not broken and doesn't need fixing. The Chiefs of Police of the county police departments already have internal policies in place to investigate police misconduct and to impose discipline. The Chiefs are accountable to their respective Police Commissions for handling police misconduct. These Commissions are made up of citizens from our community.

Second, based on statistics compiled from Honolulu Police Department ("HPD") Annual reports and other sources, in 2012, **HPD had 5.3 complaints per 100,000 public contacts**. In 2011, HPD had 4.2 complaints per 100,000 public contacts, and in 2010, the rate was 4.6 complaints per 100,000 public contacts. This is a record that any department and community in the nation would be proud of, especially when public contact is daily and constant, and often involves dangerous, highly confrontational and stressful situations, with people in highly emotional states.

Third, annual misconduct reports have been submitted to the legislature by the Chiefs of Police for many years and already provide sufficient information.

Fourth, when county prosecutors believe there is sufficient evidence to proceed against a police officer for alleged criminal conduct, they file documents in court that name the officer and are available to the public. Likewise, if a person files a civil suit against an officer, those court documents including the officer's name, are available at the courts.

Thus, we respectfully request this bill be deferred.

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

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

"Thank you, Mr. Speaker. In opposition. Before I begin, may I please have the words of the Representatives from Nanakuli and Kapaa entered into the Journal as if they were my own.

"In addition to their comments, Mr. Speaker, the reason I'm in opposition is I do believe this bill is fundamentally flawed. If the Members look to page 2, lines 5 through 14, this section amends HRS Section 52D-3.5(b)(4)(A), and states that after 'the highest non-judicial grievance adjustment procedure has concluded, the misconduct report shall state: (i) Whether the incident concerns conduct punishable as a crime, and if so, describe the county police department's findings of fact and conclusions of law concerning the criminal conduct.'

"Mr. Speaker, for those of us who are lawyers in this room, we all know that findings of fact and conclusions of law are not drawn up by police departments. There's only one body that can draft findings of fact and conclusions of law, and that is the courts. Mr. Speaker, neither the police departments nor the prosecutors make findings of fact and conclusions of law for criminal cases. The police investigate and the prosecutors determine if there is sufficient evidence to move forward, making this bill fundamentally flawed.

"Mr. Speaker, another issue that I have deals with page 1, lines 11 through 14, and the bill changes the wording in HRS Section 52D-3.5 from 'summary' to 'summarize' the facts and circumstances, calling for a more detailed description, which directly conflicts with the current law and the proposed Subsection (d), that the summary of facts 'shall not be of such a nature so as to disclose the identity of the individuals involved.'

"Additionally, the change to identity and any other incident committed by the same police officer is also in direct conflict with Subsection (d), that the summary of facts shall not be of such a nature so as to disclose the identity of the individuals involved.

"But most importantly, Mr. Speaker, the county police departments would be in violation of this law should the description they provide indirectly identify an officer who has been suspended or was discharged without first having had the opportunity to exercise and exhaust all of the administrative remedies provided under Chapter 89.

"Mr. Speaker, again, I'm just confused about the genesis of this bill, what the impetus is. Again, we've had Chapter 92 and 53 in statute for over 20 years, and in the State of Hawaii, in 2012, HPD had only five, roughly five complaints per 100,000 public contacts. In 2011, HPD had four complaints per 100,000 public contacts. And in 2010, HPD had four complaints per 100,000 public contacts.

"Mr. Speaker, this is a record any department and community in the nation would be proud of, especially when public contact is daily and constant and often involves dangerous and highly confrontational, stressful situations, with people in highly emotional states, whether they're angry, agitated, upset.

"So Mr. Speaker, again, I'm still very confused at the impetus for this bill. If it ain't broke, don't fix it. And for those reasons, Mr. Speaker, I stand in strong opposition to this measure. Thank you."

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

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

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

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

"I rise in opposition to this bill. As an emergency physician, I've seen police in the emergency department under very stressful situations. And with very few exceptions they are very restrained and professional in their conduct, even under this extreme stress sometimes.

"So I appreciate the intent of this bill, however I think that if you make these procedures too onerous, other officers will be less willing to come forward if they have some concerns, because they're afraid that bills like this will harm their morale and harm other officers. So I basically rise in opposition, but thank you, Mr. Speaker."

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

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

"Mr. Speaker, in support. The current situation is that it's very difficult to follow from year to year who is being disciplined for what, even though the names are anonymous in the police departments. The measure before you is a very modest and moderate attempt to get a little bit more information about the misconduct of certain police officers.

"Yes, it is a tiny minority, but it's information that the public deserves to know, and we have removed the provisions that gave the names for those who have simply been suspended, and even suspended for up to a year. In fact, we've given police officers in this situation more time to consider their legal options by increasing it from 30 days to 90 days.

"Also, I would just point out that the reference to the social security number is information that the police officer has a privacy interest in, and there is no change to the law being made by this bill. Thank you."

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

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

"Thank you very much, Mr. Speaker. I rise in opposition. Mr. Speaker, this bill would require the chief of each county police department to submit a report to the Legislature each year, covering misconduct incidents that resulted in the suspension or discharge of a police officer during the calendar year immediately prior to the year of the report submission.

"While the chairs and managers of the conference committee cite the need for informed public dialogue about misconduct by police officers, it fails to ensure basic protections and fairness to these employees.

"Section 378-2 states in relevant part, 'It shall be an unlawful discriminatory practice because of ... arrest and court record...,' Subsection (C), 'For any employer ... to print, circulate, or cause to be printed or circulated any statement ... that expresses, directly or indirectly, any limitation, specification, or discrimination...'

"This law was enacted to protect employees from the cloud an arrest or court record would place on the employee in an employment setting. If it was learned that a prospective employee was arrested, regardless of whether or not the person was actually convicted of the crime, the prospective employee's chances of gaining employment would be greatly diminished.

"This Legislature had taken the position of fundamental fairness, that a person under the law is innocent until proven guilty. We all believed in fairness to the point that we felt that the mere specter of an arrest should not be considered in the employment setting of that particular individual. Only, only when a person is found guilty under the law, should that fact be available to the employer.

"The bill presently before us turns this public policy on its head. For police officers, it doesn't matter whether they are convicted of a crime or not. So long as an employee is suspended or discharged, regardless of whether or not all avenues of due process and appeals have been exhausted, the chief of police will be required to report this information to the Legislature.

"The sole purpose of this bill is to make a public record, it may just report a public record, that maybe the media and the general public can obtain this information. I ask the Members of this House, why? Is it to publically shame a police officer in the media, or to serve as fodder on the internet to make it impossible for that person to ever find a gainful employment once more?

"For me, Mr. Speaker, not only is this grossly unfair, but it would appear to force the chief of police of each county to violate Section 378-2, Hawaii Revised Statutes, and expose each county to possible grievances before the Civil Rights Commission, and ultimately litigation for employment discrimination.

"And despite having such drastic employment ramifications, I'm concerned, Mr. Speaker, because this particular bill was not referred to your Committee on Labor and Public Employment.

"So how does this bill promote justice? How is this any different from the days in which persons were persecuted unfairly to satisfy the public's thirst for information? What does due process stand for anymore, Members of the House? A bill like this paints each person listed on the report as being guilty, regardless of whether or not it is true. And as I see it, there is no moral justification to do so."

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

Representative Say continued, stating:

"Thank you very much. Mr. Speaker and Members of this House, I will like to conclude with a passage from Nathaniel Hawthorne's classic, 'The Scarlet Letter', which I feel is especially appropriate.

"Measured by the prisoner's experience, however, it might be reckoned a journey of some length; for, haughty as her demeanor was, she perchance underwent an agony from every footstep of those that thronged to see her, as if her heart had been flung into the street for them all to spurn and trample upon."

"For the men and women in blue who risk their lives every day to protect us and preserve order here in the State of Hawaii, personally it is unconscionable that we will be treating them in this fashion. And should this bill be enacted, I truly hope that every innocent person wronged by having their name unfairly reported under this law will find equitable justice through the courts.

"For the Members of this House and the general public at large, once again, open up your checkbooks my friends, because this one is going to be an expensive ride. And it's for these reasons I urge my colleagues to vote against this measure, for the blue and white officers of our State of Hawaii. *Aloha.*"

Representative Rhoads rose to respond, stating:

"Still in support. The bill does not require the names of the police officers who the additional information is required by the bill to be made public until they've been discharged, which means until they've been fired for something that they did wrong. So this idea that somehow these men and women's names are going to be dragged through the mud is just factually inaccurate. They're not going to be dragged through the mud, because nobody is going to know who they are.

"I would also point out that because of their special place in society and the special responsibilities and dangers that police officers face, the current statute, which we do not change in this regard, has a different rule for every other employee of the state. Any other employee of the state that is suspended, their name becomes public. Suspended, not discharged. Whereas with police officers, you have to be actually fired before your name is made public, and that does not change under this bill. Thank you."

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

"Mr. Speaker, I have some brief comments in support of this measure. I will acknowledge that this is a difficult issue to act upon, because we all hold police officers with so much respect in our communities, and we rely on them for our protection. And of course we don't want to vote on a bill that they may not support because we would want them to answer our own 911 calls in times of emergencies.

"What this bill does is attempt to balance the public's interest in knowing that our police force does maintain a certain standard of conduct within our community, so that we can all have confidence in those who enforce our laws. And that is what makes this balancing act so difficult, because we are imposing a new standard upon those who enforce our laws. So in a situation where they themselves may be violating the law, we, the public, should know what recourse has occurred and what has been done in those situations.

"There has been some information that has not been entirely accurate during our debate this morning, and I wanted to just clarify a few of those points. First, this bill does mention the need to disclose social security numbers, but I would like to emphasize that that requirement exists in the current law. This bill does not amend or add that requirement, it's an existing requirement.

"The second point is that there was some reference to findings of fact and conclusions of law, and the statement was that only courts make findings and conclusions. That is not correct, because government agencies routinely make findings of fact and conclusions of law, and the reason why that is important is because those findings and conclusions serve as a basis for an appeal. If the person who is aggrieved wants to appeal, they will use the findings and conclusions as a part of their appellate case. Departments

are often charged with making findings and conclusions to ensure that all of the evidence is properly considered so that the appellate body can make a determination whether any mistakes were made below.

"The third point was that this statute would conflict with our employment discrimination chapter, or Chapter 378. What I would say in response to that is that we routinely enact statutes that create exceptions or conflict with other statutes. And in those cases, it is done for particular policy purposes, for specific reasons. And in this situation, the Legislature does have the prerogative to enact a statute that would allow for the disclosure of this information, and that it would not be in violation of our existing employment discrimination laws.

"So in conclusion, I would just like to say that while we recognize the privacy interests of police officers, we do respect their work and their service, and at the same time we are just attempting to balance the public's right to know with those interests. Thank you very much."

Representative Har rose to respond, stating:

"Thank you, still in opposition. Just some quick rebuttal points to the Majority Leader. Again, when you talk about the findings of fact and conclusions of law, if you look to page 2, it again continues to show a basic misunderstanding of the process. This bill would now require that the county police departments conduct their own findings of fact and conclusions of law. They don't do that, that is what the courts do. It is not the prosecutor's responsibility nor the police department's responsibility to come up with findings of fact and conclusions of law. So that is just a basic misunderstanding of the process.

"But secondly, the Majority Leader talks about this being a balancing act, that the public has a right to know. Well, they already have a right to know, they already know, Mr. Speaker. When county prosecutors believe there is sufficient evidence to proceed against a police officer for alleged criminal conduct, they file documents in court that name the officer. Those documents are available to the public. Likewise, if a person files a civil suit against an officer, those court documents, including the officer's names, are available in the court system. The information is already available, Mr. Speaker.

"So again, I'm still confused at the impetus of this bill, the need for a balancing act. Again, this statute has been in our statutes for over 20 years with no issues. We don't have any allegations of police commissioners hiding the misconduct of their officers. So again, it's just very suspect, the genesis of this bill. For those reasons, I remain in strong opposition. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. May I disclose a potential conflict? My law office routinely brings cases of excessive force against various law enforcement agencies," and the Chair ruled, "no conflict."

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

"Thank you, Mr. Speaker. In support. I just wanted to first adopt the words of the Majority Leader and also clarify that the process does in fact involve county police departments through the police commission making findings of fact, so the language on page 2 is accurate as to the process.

"I'd also like to reiterate that I think the right to know is important to be balanced against the privacy interest rights, and that this bill preserves that balance, I think in a good way. It's important that, as the Majority Leader says, that we expect a standard of conduct, and I think in fact that this law will demonstrate, through the provision of better statistics, and restore that confidence in the public for our law enforcement agencies. Thank you, Mr. Speaker."

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 rise today with reservations to SB 2591, SD1, HD1, CD1. While I am supportive of the intent of the bill, to promote transparency within the state's police agencies regarding police misconduct; I'm hesitant to offer full support due to several factors.

"Firstly, I am not sure that this bill is necessary. Currently, the various county police agencies are already required to report on cases of officer misconduct and/or discharge on a yearly basis.

"Secondly, misconduct is currently addressed internally by the county police chiefs of the various law enforcement agencies. The chiefs are accountable to their respective county Police Commissions (a body made up of citizens from the community who review public complaints of misconduct).

"Additionally, in cases of criminal actions committed by law enforcement officers, county prosecutors bring criminal charges when there is sufficient evidence, and the officers are publicly named in court.

"I am hesitant to reinvent the wheel, when current law is sufficient. For these reasons, I vote aye with reservations on SB 2591, SD1, HD1, CD1. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2591, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LAW ENFORCEMENT," passed Final Reading by a vote of 30 ayes to 20 noes, with Representatives Aquino, Awana, Cachola, Carroll, Choy, Cullen, Evans, Fale, Hanohano, Har, Jordan, Kawakami, McDermott, Oshiro, Say, Thielen, Tokioka, Tsuji, Ward and Yamane voting no, and with Representative Ito being excused.

Conf. Com. Rep. No. 33-14 and H.B. No. 2401, HD 2, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2401, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

"Mr. Speaker, may I request a ruling on a potential conflict? At my law firm I represent condominium associations as well as condominium owners. 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. 2401, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUMS," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

At 12:03 o'clock p.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 1706, HD 1, SD 1, CD 1
H.B. No. 1811, HD 1, SD 1, CD 1
H.B. No. 1750, HD 1, SD 1, CD 1
S.B. No. 2591, SD 1, HD 1, CD 1
H.B. No. 2401, HD 2, SD 2, CD 1

At 12:03 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 12:07 o'clock p.m.

LATE INTRODUCTIONS

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

Representative Fale introduced Mr. Kika Bukoski, Executive Director of the Hawaii Building and Construction Trades Council.

ORDINARY CALENDAR

UNFINISHED BUSINESS

Conf. Com. Rep. No. 34-14 and S.B. No. 2300, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2300, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FIRE PROTECTION," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 35-14 and H.B. No. 2052, HD 2, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2052, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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 stand in support with reservations on HB 2052, HD2, SD2, CD1. The purpose of this measure is to increase access to provider orders for life-sustaining treatment by updating references from 'physician orders for life-sustaining treatment' or 'POLST' to 'provider orders for life-sustaining treatment.' In addition, this bill expands health care provider signatory authority to include advanced practice registered nurses.

"POLST forms establish a patient's wish and intent for end of life treatment after meaningful dialogue with their physician or APRN, and a legally authorized representative. It is a tool that has been used to ensure that a patient's wishes are honored across healthcare settings. This bill broadens the scope of authorized medical practitioners who are eligible to sign POLST forms, since there was significant concern that numerous patients do not have easy access to primary care physicians, especially in rural communities.

"Mr. Speaker, end of life treatment is a delicate topic for all parties involved in POLST procedures and surely involves great deliberation and serious discussion as to the explicit wishes of the patient.

"However, this issue can and has raised some concerns. End of life procedures often involve 'do not resuscitate' clauses, a withholding of antibiotics, and a withdrawal of food and fluids. These kinds of life and death decisions can place a great burden on individuals responsible for carrying out the wishes of the patient involved, especially when those responsibilities allow a person to be a self-designated bearer of life or death for that patient. One must wonder if an incapacitated patient who signed a POLST agreement regarding a future theoretical scenario would readily withdraw that specific request, if given the opportunity to express themselves in the current medical circumstance. Furthermore, some individuals may view certain POLST procedures as assisted suicide. Finally, POLST lacks a conscience clause for health care professionals who might have concerns about medical orders they are asked to carry out, even if new medical information has become available that might otherwise shift a patient's position.

"For these reasons, Mr. Speaker, I stand with reservations on HB 2052, HD2, SD2, CD1. Thank you."

Representative Fale 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."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2052, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PROVIDER ORDERS FOR LIFE-SUSTAINING TREATMENT," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 38-14 and H.B. No. 611, HD 1, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 611, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

"Thank you, Mr. Speaker. I'd like to vote in strong support and permission to submit written comments. Thank you."

Representative Oshiro's written remarks are as follows:

"Mr. Speaker, this measure is about reducing the risks to public health. We live in a place where tanning could be an everyday activity. A place where it is nearly impossible to avoid sun exposure. While there is a genuine concern for exposure to ultraviolet radiation from sunlight, Mr. Speaker, there is an even greater concern for excessive and over exposure to it. The science tells us that tanning is not simply an enhancement of one's appearance, it is also signs of changes on the cellular level that could lead to cancer or other types of problems later in life.

"Mr. Speaker, this measure has support from the American Cancer Society, Aim at Melanoma, the American Academy of Dermatologists, and many local physicians who specialize in dermatology. If this bill was about regulating a cosmetic procedure, these groups and individuals would not be concerned. But it is not only about cosmetics – the way someone chooses to look, Mr. Speaker – it is a serious risk to one's health.

"In 2009, the World Health Organization classified tanning beds as a known carcinogen, the same classification given to tobacco and asbestos. And this classification is rightfully so, since its sole purpose is to accelerate the skin's production of melanin to create a tanning effect. Why go out in the sun for hours when you can spend as little as 15 minutes in a tanning bed? As any new product that promises to save time, tanning beds are marketed that way. But what we know, Mr. Speaker, is that a tanning bed can produce significantly higher levels of ultraviolet radiation than our sun. It is the same ultraviolet radiation that significantly increases the chance of developing all types of skin cancer. It's a risk that shouldn't be taken, especially for our youth whose skin is still developing and growing.

"Finally, Mr. Speaker, critics of this measure have implied that the Legislature should also prohibit minors from exposure to sunlight at the beach to really have an impact. I believe they miss the point, Mr. Speaker. Hawaii has another known natural health hazard – we have volcanic fog from Hawaii Island affectionately referred to as vog. But the mere presence of vog, Mr. Speaker, which can cause respiratory problems and also pollutes our air with toxins, doesn't mean that we shouldn't protect people from second-hand tobacco smoke. Tobacco smoke, like tanning beds, creates an excessive exposure to cancer causing agents that can be prevented. We should continue to protect our future generations by reducing their risk to cancer and other chronic diseases.

"For the foregoing reasons, I urge my colleagues to support this measure."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 611, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TANNING," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 40-14 and H.B. No. 1823, HD 1, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1823, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

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

"Mr. Speaker, in support. Mr. Speaker, this bill is here to help with disputes when property are reopened for renegotiation. The bill helps to resolve the disputes. Mediation has been proven to be a less costly and effective way to initially resolve disputes. The current process of arbitration is cumbersome, costly, and in most cost cases resolved in an adversarial manner. The bill provides for the opportunity for lessees and the department to settle disputes in a more amiable manner first. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. May I request a ruling on a potential conflict? I am a land use attorney. 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. 1823, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC LANDS," passed Final Reading by a vote of 47 ayes to 3 noes, with Representatives Jordan, Oshiro and Thielen voting no, and with Representative Ito being excused.

Conf. Com. Rep. No. 41-14 and H.B. No. 1926, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B. No. 1926, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CRIME," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 42-14 and H.B. No. 2205, HD 1, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2205, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative Cabanilla.

Representative Say 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 a no vote 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 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 stand in opposition to HB 2205, HD1, SD1, CD1. This bill imposes a mandatory minimum sentence of at least one year imprisonment upon conviction of habitual property crime and authorizes probation only for a first conviction of the offense of property crime.

"While it is well known that I am tough on crime, the requirement to serve a mandatory minimum sentence for property crime offenses is an overreach. I believe that everyone should be held accountable for their actions, but other methods, such as community based treatment programs, should be a considered alternative, given the fact that the motivation for property crime is often a result of substance abuse problems.

"I have cited before, and will again reiterate, that in 2012, the Office of the Attorney General released the Hawaii Crime Report indicating that burglary and motor vehicle theft as well as overall property crime were at a

record low. Therefore, it is curious why a bill of this nature would be introduced, given the evidence of decline for crimes of the sort these data indicate.

"If enacted, HB 2205 HD1, SD1, CD1 will not only impose harsher sentencing requirements, but would also confuse the electorate as to what the policy statement should be as it pertains to non-violent offenders. It seems we are confused given that we are passing this measure that will provide mandatory minimum sentences for non-violent offenders while simultaneously passing today HB 2363, which creates a re-entry pilot project for non-violent offenders. What exactly is our policy as it applies to non-violent offenders? Are we choosing mandatory incarceration or a re-entry pilot project? For this very reason, I cannot support this measure because it is clear the House is sending mixed messages to its policy on non-violent offenders.

"Mr. Speaker, there are other avenues of rehabilitation available for non-violent offenders that don't include mandatory minimum sentences; a punishment not commensurate with the crime committed.

"For the aforementioned reasons, Mr. Speaker, I stand in opposition to HB 2205, HD1, SD1, CD1. Thank you."

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

Representative Oshiro's written remarks are as follows:

"Mr. Speaker, I am speaking against this bill.

"A habitual property crime perpetrator is defined in Section 708-803, Hawaii Revised Statutes, as having been convicted of three felony property crimes, three misdemeanor property crimes, or any combination of three felony or misdemeanor property crimes within a five-year period. As written, this measure will primarily impact misdemeanants.

"A defendant who commits a second felony level property crime within a five-year period is considered by the courts to be a repeat offender and under Section 706-606.5, Hawaii Revised Statutes, must be sentenced to a five-year term of imprisonment for a class C felony, and a ten-year term of imprisonment for a class B felony, with a mandatory minimum term of imprisonment of one year, eight months, and three years, four months, respectively.

"If the defendant has two prior felony convictions, the mandatory minimum terms are doubled to three years, four months for a class C felony, and six years, eight months for a class B felony, respectively.

"Contrary to testimony by the Honolulu Prosecutor before the House Judiciary Committee, judges cannot sentence a repeat felony offender to probation. It is an untruth, and disrespectful to the Judiciary to claim that judges regularly do not follow the law.

"Under this House Bill 2205, the Court would not be able to sentence a person who has committed a second misdemeanor property crime to a five-year term of probation with a one-year jail sentence. A five-year prison sentence would be mandated, regardless if the prior property crime was a misdemeanor.

"A community suffering from a string of property crimes may get the false impression that perpetrators are 'getting off' with a slap on the wrist only to return to their criminal ways. However, a person who is arrested for a felony offense may be released pending investigation and charged at a later date.

"There are many instances, especially with individuals suffering from substance abuse, where they continue to commit crimes after being released pending investigation. As such, I believe the focus should be on enforcement and timely prosecution to prevent repeat offenses instead of the 'mandatory minimum' approach taken with this bill.

"The existing laws pertaining to habitual property crime is sufficient and should not be amended in this fashion.

"For these reasons, I respectfully urge my colleagues to oppose this bill."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2205, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CRIME," passed Final Reading by a vote of 44 ayes to 6 noes, with Representatives Awana, Hanohano, Har, Jordan, Oshiro and Tokioka voting no, and with Representative Ito being excused.

Conf. Com. Rep. No. 43-14 and H.B. No. 2243, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B. No. 2243, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CRIMINAL HISTORY RECORD CHECKS," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

At 12:15 o'clock p.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 2300, SD 1, HD 1, CD 1
 H.B. No. 2052, HD 2, SD 2, CD 1
 H.B. No. 611, HD 1, SD 1, CD 1
 H.B. No. 1823, HD 1, SD 1, CD 1
 H.B. No. 1926, HD 1, SD 1, CD 1
 H.B. No. 2205, HD 1, SD 1, CD 1
 H.B. No. 2243, HD 1, SD 1, CD 1

Conf. Com. Rep. No. 44-14 and S.B. No. 2687, SD 1, HD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 2687, SD 1, HD 2, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

Representative Carroll's written remarks are as follows:

"Thank you, Mr. Speaker. Mr. Speaker, I am in support of SB 2687, which extends the statutory period from two to four years in order to allow a victim of child sexual abuse to bring a civil action against their abuser or a legal entity with a duty of care.

"While I feel that even four years is too short of a time span to expect a victim of abuse to come forward, I support SB 2687 because I also realize that four years is a lot better than the current two year period. I hope this measure will open the door for further improvements towards a better, victim centered approach to crimes like sexual assault and abuse.

"The proposed bill represents another step forward in protecting children by holding accountable abusers and those responsible for them. In allowing survivors of childhood sex abuse to bring civil claims against perpetrators who abused them and the institutions which employed or were responsible for the perpetrators after April 24, 2014, SB 2687 will protect the rights of victims who have not yet felt strong enough to face what happened to them.

"Children who are abused often feel that they have no one to turn to. The abuse is held as a terrible secret between the victim and the abuser, and too often another responsible party who does nothing. The child, feeling powerless, tells no one and keeps the secret and the damage cascades through the years. As a result, even when an option to pursue justice as an adult is presented, it takes a survivor a significant amount of courage and time to seize the opportunity. The expiration of the window in effect will reward perpetrators who terrified their victims so much that the secrets remain buried even many years later.

"Another important thing this measure does is it takes away the state's exemption from liability for civil action arising from sexual abuse. I do not believe anyone is above the law when it comes to sex abuse, especially in

the case of a minor. The state should be subjected to the same standards as any other responsible entity.

"Mr. Speaker and distinguished Members of this Body, it is fundamentally unfair to rush these survivors who have already been through too much trauma to begin with, that is why I urge everyone to please take careful consideration of this bill and to support SB 2687. Thank you."

Representative Fukumoto rose in support of 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 rise today to express my support for SB 2687, SD1, HD2, CD1. There is no crime more heinous in society than the sexual assault or abuse of a child. In many cases, child victims are too traumatized or terrified to come forward about the crime until years later. Unfortunately, in those cases, the statute of limitations may have expired for the victim to bring civil action against the perpetrator. SB 2687, SD1, HD2, CD1 seeks to rectify this problem by extending the reporting period and allows the child victim additional time to disclose the sexual assault or abuse, thereby reducing the possibility that the victim may miss the statute of limitations. The ability to face one's attacker or abuser and see them brought to justice should be afforded to every victim.

"Additionally, Mr. Speaker, I am particularly pleased that the final version of this bill does not exempt the state. A previous version of this measure was vetoed by the Governor in 2011 for, among other things, it's inclusion of the state. His veto led the Legislature to pass a bill that extended the statute of limitations for private entities, but it provided an exemption for state entities. I strongly believe that the state should be held to the same standard as private entities, and I'm pleased that the Legislature took this opportunity to provide equal treatment for all victims.

"For these reasons, I support SB 2687, SD1, HD2, CD1. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. Requesting a ruling on a potential conflict. My law office has represented both victims of sexual assault and accused individuals of sexual assault. Thank you, Mr. Speaker," and the Chair ruled, "no conflict."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2687, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LIMITATION OF ACTIONS," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 45-14 and S.B. No. 2368, SD 1, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 2368, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

"Thank you, Mr. Speaker. Request a ruling on a potential conflict. I work for a non-profit organization. Thank you," and the Chair ruled, "no conflict."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2368, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PROTECTION OF CHARITABLE ASSETS," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 47-14 and S.B. No. 2682, SD 1, HD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2682, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FINANCIAL DISCLOSURE STATEMENTS," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 48-14 and S.B. No. 2472, SD 2, HD 3, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2472, SD 2, HD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO OCCUPATIONAL THERAPY PRACTICE," passed Final Reading by a vote of 48 ayes to 2 noes, with Representatives Fale and McDermott voting no, and with Representative Ito being excused.

Conf. Com. Rep. No. 49-14 and S.B. No. 1233, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1233, HD 1, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

"Thank you, Mr. Speaker. In support with a brief comment. Your Committee on Conference has found that this is an important measure to encourage those individuals who take the time off and do this important service of donating organs, bone marrow, blood stem cells. I just want to clarify that this bill would allow employers the flexibility to have employees use unused sick leave, vacation, paid or unpaid time off for this very important service. Thank you, Mr. Speaker."

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

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1233, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LEAVES OF ABSENCE," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 51-14 and S.B. No. 1141, SD 2, HD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1141, SD 2, HD 2, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

"Mr. Speaker, on this bill I wanted to stand up in strong support and make just a few comments. Mr. Speaker, I want to just start with saying that one of the themes for me this year was turning lemons into lemonade. And this particular bill, Senate Bill 1141, is a great example of that. I want to thank my co-chairs on this conference committee who helped take what was a difficult bill, and as you can see it really has been slimmed down. And all it simply does is require that all public agencies in possession of certain medical records make those available to the courts when they are in the process of examining defendants.

"This is a very small baby step that we need to take in addressing the census and the mental health patients that are stressing both our criminal justice system, as well as our medical forensics system. So I really want to thank, again, the co-chairs on this conference committee that helped us get past some of the difficulties of last session, so that we could get this very small but important bill out. Thank you, Mr. Speaker."

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

"In support. I do support this measure, but along the way we lost one little portion, which really doesn't affect the bill. But it would have been a report to the Legislature to know how many times and how frequent, and what kind of releases were made. Although names wouldn't have been submitted to the Legislature, that is valuable information that we can use going forward and helping to support our mental health society. Thank you very much, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1141, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FORENSIC MENTAL HEALTH," passed Final Reading by a vote of 48 ayes to 2 noes, with Representatives Fale and Har voting no, and with Representative Ito being excused.

Conf. Com. Rep. No. 52-14 and S.B. No. 2223, HD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 2223, HD 2, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

Representative Carroll's written remarks are as follows:

"Thank you, Mr. Speaker. Mr. Speaker, I am writing in support of SB 2223, Relating to Change of Name. The purpose of this measure is to allow the Family Court to change the name of a minor child of one or more of the parties in a divorce proceeding if the family court determines that the name change is in that child's best interest. This measure recognizes that a name change of a minor child may be warranted as a result of a divorce by authorizing the Family Court to determine whether changing the name of a minor child is in the best interest of that child.

"It is alarming to realize that children and youth consistently comprise the majority of sexual assault survivors seen through the Sex Abuse Treatment Center or SATC. From 2001 to 2010, 58.2 percent of survivors receiving services from SATC were minors. Of those minors, 42.8 percent were abused by a family member. In some cases, that family member was their own parent. Child sexual abuse can have long-term impacts. Survivors may experience emotions such as fear, guilt, anger, and confusion well after the abuse. They may also experience a loss of self-esteem or depression and anxiety, and are at increased risk for suicide, eating disorders, substance abuse, and relationship difficulties. In cases of intrafamilial sexual abuse, the effects can be even more pervasive as the abuse was perpetrated by someone who should have been a caretaker, a protector, a defender, but instead that person hurt, violated, and exploited the child. Sharing the same name as a perpetrator can serve as a constant reminder of the abuse.

"Mr. Speaker and distinguished Members of this Body, this measure allows for our most vulnerable of citizens to seek closure and comfort. I urge everyone to please take careful consideration of this bill and to vote in support of SB 2223. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2223, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHANGE OF NAME," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

At 12:21 o'clock p.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 2687, SD 1, HD 2, CD 1
 S.B. No. 2368, SD 1, HD 1, CD 1
 S.B. No. 2682, SD 1, HD 2, CD 1
 S.B. No. 2472, SD 2, HD 3, CD 1
 S.B. No. 1233, HD 1, CD 1
 S.B. No. 1141, SD 2, HD 2, CD 1
 S.B. No. 2223, HD 2, CD 1

Conf. Com. Rep. No. 53-14 and S.B. No. 60, SD 1, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 60, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

Representative Carroll's written remarks are as follows:

"Thank you, Mr. Speaker. I am writing in support of SB 60, which affords victims and surviving immediate family members the right to participate in restorative justice processes, if no criminal charges are brought against a person or entity, for the harm suffered by the victim. Research has shown that restorative justice interventions are more effective at reducing repeat crime and recidivism than existing mainstream justice systems. This measure better incorporates the concept of restorative justice into the justice system by requiring notification to victims of crimes and surviving immediate family members regarding their right to participate in the restorative justice process under the basic bill of rights for victims and witnesses under Section 801D-4, Hawaii Revised Statutes.

"Roughly 5,800 Hawaii individuals are living behind bars. Approximately 1,500 Hawaii individuals are serving their sentences abroad, thousands of miles away from their loved ones, their homes and, for the disproportionate number of incarcerated Native Hawaiians, far from their ancestral lands.

"Research clearly shows that restorative justice interventions are more effective at reducing repeat crime and reducing recidivism than our current mainstream justice systems. Overall, restorative justice reduces crime by 27 percent. Conclusions from the evidence are numbered below.

1. Crime victims who receive restorative justice do better, on average, than victims who do not, across a wide range of outcomes, including post-traumatic stress.
2. In many tests, offenders who receive restorative justice commit fewer repeat crimes than offenders who do not.
3. In no large-sample test has restorative justice increased repeat offending compared with criminal justice.
4. Restorative justice reduces repeat offending more consistently with violent crimes than with less serious crimes.
5. Diversion from prosecution to restorative justice substantially increases the odds of an offender being brought to justice.
6. Diversion from prosecution to restorative justice is almost impossible in the UK because of an evidentiary requirement that far exceeds the bar found in other common law nations.
7. The best evidence on success in implementing restorative justice from tests to date is associated with specially trained police officers providing restorative justice from a base in a police RJ unit.
8. Restorative justice does not conflict with the rule of law, nor does it depart from the basic paradigm of the common law of crime.
9. Restorative justice can do as well as, or better than, short prison sentences, as measured by repeat offending.
10. Restorative justice reduces stated victim desire for violent revenge against offenders.

"Opposition claims that this bill would place additional responsibility on the Department of the Prosecuting Attorney. Citing lines 5 through 7 of page 4 (in the SD1, HD1 version) may add the responsibility of the programs to the department in addition to the task of tracking these programs. Specific County's Department of the Prosecuting Attorney noted that these certain responsibilities and duties aren't set forth in the County

Charters and doesn't encompass the management and/or development of programs.

"Mr. Speaker and distinguished Members of this Body, this measure is an important step in reforming our justice system. I urge everyone to please take careful consideration of this bill and to vote in support of SB 60. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 60, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO VICTIMS OF CRIMES," passed Final Reading by a vote of 49 ayes, with Representatives Ito and Wooley being excused.

Conf. Com. Rep. No. 54-14 and H.B. No. 1618, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B. No. 1618, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE COMPOSITION OF THE BOARD OF LAND AND NATURAL RESOURCES," passed Final Reading by a vote of 49 ayes, with Representatives Ito and Wooley being excused.

Conf. Com. Rep. No. 55-14 and H.B. No. 2163, HD 2, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B. No. 2163, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PARENTAL PARITY," passed Final Reading by a vote of 49 ayes, with Representatives Ito and Wooley being excused.

Conf. Com. Rep. No. 56-14 and H.B. No. 2116, HD 2, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2116, HD 2, SD 1, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

Representative Carroll's written remarks are as follows:

"Thank you, Mr. Speaker. Mr. Speaker, I am in support of HB 2116 which eliminates sentences of life imprisonment without the possibility of parole for juvenile offenders. The Legislature acknowledges and recognizes that children are constitutionally different from adults, which means in some aspects they are not always subject to the same standards as adults. This is especially true in our judicial system, which is evident because we make the distinction between juvenile and adult offenders.

"However, our judicial system falls short when it comes to the sentencing of juveniles for crimes of a more serious nature, sometimes referred to as 'adult crimes'. The fact that we still sentence juveniles to life in prison without the possibility of parole, not only violates our commonly held belief that children are not the same as adults, but it violates international law as well. According to Article 37 of the United Nations Convention on the Rights of the Child, 'no child shall be subjected to torture or other cruel, inhuman or degrading treatment or punishment. Neither capital punishment nor life imprisonment without possibility of release shall be imposed for offences committed by persons below eighteen years of age.'

"A life without parole sentence when imposed on a juvenile offender, which is defined as a defendant who was under 18 at the time of the crime, violates international law and standards which are almost universally accepted around the world. These standards maintain that, however severe the crime, juveniles, who are still developing physically, mentally and emotionally, do not have the same level of culpability as adults. Due to this variance in accountability, juveniles require special treatment in the criminal justice system that is in accordance with their youth and immaturity. The primary objectives should be the child's best interests and the potential for his or her successful reintegration into society.

"Furthermore, juveniles, because of their immaturity and the fact that they are still developing, are a group that present the best possibility for rehabilitation and reincorporation. This is a group whose negative behavior can be corrected, they deserve that chance to reintegrate back into our society. Bottom line is that we shouldn't be throwing these children, who are not yet mature adults, into our prison systems without the possibility of parole. It does our society no good to deny these children the basic right of a second chance.

"Mr. Speaker and distinguished Members of this Body, I urge everyone to please take careful consideration of this bill and to vote yes on HB 2116. 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. 2116, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SENTENCING FOR JUVENILE OFFENDERS," passed Final Reading by a vote of 48 ayes to 1 no, with Representative McDermott voting no, and with Representatives Ito and Wooley being excused.

Conf. Com. Rep. No. 57-14 and H.B. No. 2034, HD 2, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2034, HD 2, SD 1, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

Representative Carroll's written remarks are as follows:

"Thank you, Mr. Speaker. I am writing in support of HB 2034, which removes the statute of limitations for criminal actions arising from sexual assault in the first and second degrees. By eliminating the statute of limitations, we can provide survivors of sexual assault with additional time to engage with the legal system so victims can attain justice and some sense of closure.

"It is highly common for survivors to wait years before disclosing any abuse (if they disclose at all). For child victims of abuse and rape, this legislation is even more important because children rarely disclose, with sometimes a 3-18 year delay in disclosure. This delay in disclosure means that victims may miss the crucial time in which they can report the sexual assault and at the very least, have their respective case be investigated by law enforcement as a potentially prosecutable offense. Adult perpetrators recognize this vulnerability in victims and use this to their advantage. Too often, by the time a victim is ready to admit the abuse they have suffered the statute of limitations has expired and the victims are left powerless and unable to receive the justice they deserve.

"The current statutes of limitation for criminal and civil actions involving sexual violence limit survivors' ability to report and seek justice for the underlying criminal act. Many states have recognized this as an important factor when looking at statutes of limitations. In fact, at least 32 states have no criminal statute of limitations on child sexual abuse or the most aggravated sex crimes.

"It's time for the State of Hawaii to take a strong stance against sexual abuse and sexual violence. We have to make it clear that we will not tolerate this predatory and deviant behavior in our communities anymore. By codifying new law and cleaning up existing ones, we are reaffirming our beliefs that sexual violence against anyone is wrong, especially a minor. We are also making the statement that things like sexual abuse are not acceptable in our society. Removing the statute of limitations is exactly how we start addressing this issue. HB 2034 encapsulates our belief as a state that sexual assault is a severe crime with implications and effects that are equivalent to murder. I believe that with the passage of HB 2034 and the work of the members of the conference committee, we are sending a strong message that Hawaii does NOT tolerate sexual assault. We are giving a voice to those that have been silenced and are giving hope for those that are still trying to recover from the emotional and physical abuse they have suffered.

"Opposition claims that this bill would create concern for fraudulent claims. However, in the 32 states where they have no statute of limitation, this has not been the case. Additionally, this legislation does not change the burden of proof nor does it make it easier for sexual assault victims to prove their case. This legislation merely allows more survivors of sexual violence to access the justice system and feel as if they've been heard.

"In closing, I just want to express my gratitude and appreciation to my colleagues for advancing HB 2034. I feel it's important to empower victims of sexual assault to come forward and report their abuse. That is why HB 2034 is crucial, because by removing the statute of limitations it will eliminate one of the many barriers that victims face when deciding to come forward.

"Mr. Speaker and distinguished Members of this Body, this measure is an important step for many survivors to recover from trauma. I urge everyone to please take careful consideration of this bill and to vote in support of HB 2034. Thank you."

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

"Thank you, Mr. Speaker. Ruling on a potential conflict. Once again, my law office has represented both victims of sexual assault and individuals accused of sexual assault," 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. 2034, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SEXUAL ASSAULT," passed Final Reading by a vote of 49 ayes, with Representatives Ito and Wooley being excused.

Conf. Com. Rep. No. 58-14 and S.B. No. 2410, SD 1, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 2410, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

"Mr. Speaker, in opposition. The reason why I am in opposition to this measure is a very simple, practical, and realistic approach. The bill says that Budget and Finance is to report the operational cost of capital improvement projects to the Governor, and it requires all agencies submitting a capital improvement project proposal to furnish Budget and Finance with an estimate and documentation that supports the estimates of the operational cost of a state facility.

"Will this measure deny me from submitting to the sub-committee chair on capital improvement projects, what projects that I would like to have without understanding what the operational cost will be? In the capital improvement budget, a lot of the projects were added on by the Legislative Branch. Do you have the operational cost before you submit your appropriation to the subject committees?

"This is the impractical side of it that I am very much concerned about. That a lot of projects may not get into the appropriation budget bill, on the bonds. But more importantly, the intent is noble, but for practical purposes, how can elected officials like us get our projects into the bond bill so that projects that we want, we can get appropriation? That is the question I pose to the Members of this Body.

"Nonetheless, we're all back in November. You know what projects you want, then we've got to go and ask DAGS or B&F to come up with an operational cost for us before we submit our projects to the Finance Committee. Have we really thought it through, even though it's well intended? Because I'm correct, Mr. Speaker, because a lot of times we may fund the project, but not the bodies.

"I recall when we had the Higher Education hearing, that the personnel up at Manoa Campus has a tremendous shortfall in trying to maintain our facilities. And this is the kind of issue I think we are all trying to grapple with. But more importantly, can we do it on a practical note? Because a lot

of our projects in the future will not be funded when you take into consideration the operational cost.

"So in closing, that's why I am in opposition, even though the sponsor of the measure has a very noble and well-intended idea. Thank you."

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

"Mr. Speaker, in support. The intent behind this bill, from my understanding, is as we go through the budget process, a lot of times the B&F and the departments submit capital improvement projects, but there are operational costs associated with them, with those particular projects, and this is our effort to continue truth in budgeting, for them to disclose some of the operational costs.

"For instance, there might be costs associated in DOT projects, and some staffing comes out of CIP, which we may have to fund as A Fund. So, it no way is trying to restrict capital improvement projects given to legislators or to Members or to the public. It's during our budget process, to require agencies and departments to be transparent in what other additional costs they would need associated with CIP."

Representative Fale rose in support of the measure with reservations and asked that the remarks of Representative Say 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 Finance entered into the record as if they were my own, and just a brief comment. I share the concerns that were issued about perhaps restricting the Legislature in the ability to champion CIP projects. However, when I read the bill, this seems clearly aimed at the administration and the caveat in law that the Legislature is presumed to know all laws and therefore can redress this concern through the legislative process. So I don't think it's going to rise to the level of difficulty.

"However, the transparency and accountability in the bill is so important. And I've always been somebody who's championed that, because every taxpayer's penny is important. So with that, in support, Mr. Speaker."

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

"Thank you, Mr. Speaker. In opposition. May I please have the words of the Speaker Emeritus who is also the former Finance Chair entered into the Journal as if they were my own. Thank you," and the Chair "so ordered." (By reference only.)

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

"Mr. Speaker, I rise in support of this measure. Mr. Speaker, this measure is yet another attempt by this Legislature to improve the fiscal discipline within our state. As the Members know, buildings and facilities are paid through bond financing, which means that the cost of those buildings are paid over a fixed period of time.

"On the other hand, you have the cost of operating and maintaining those facilities. And those expenses are not paid through bonds, but they are usually paid through our General Funds. And those costs remain in perpetuity for as long as the building or the facility is in existence. The Legislature has the right to know what the cost of operating a facility will be in the long run when a request comes in for a new building or facility.

"It is part of our responsibility to provide oversight over state finances and the way that we spend taxpayer funds for the decades to come. Thank you very much."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2410, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CAPITAL IMPROVEMENT PROJECTS," passed Final Reading by a vote of 47 ayes

to 2 noes, with Representatives Har and Say voting no, and with Representatives Ito and Wooley being excused.

At 12:30 o'clock p.m., Representative Lee requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 12:30 o'clock p.m.

At 12:31 o'clock p.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 60, SD 1, HD 1, CD 1
 H.B. No. 1618, HD 1, SD 1, CD 1
 H.B. No. 2163, HD 2, SD 1, CD 1
 H.B. No. 2116, HD 2, SD 1, CD 1
 H.B. No. 2034, HD 2, SD 1, CD 1
 S.B. No. 2410, SD 1, HD 1, CD 1

Conf. Com. Rep. No. 59-14 and H.B. No. 1942, HD 1, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1942, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

Representative Carroll's written remarks are as follows:

"Thank you, Mr. Speaker. Mr. Speaker, I am in support of HB 1942 which authorizes the issuance of special purpose revenue bonds to assist with the creation of a renewable energy project with energy storage technology on the island of Molokai.

"In the State of Hawaii there is a strong desire for the development of renewable energy projects. There is also great concern with the fact that we are dependent on imported energy sources. Hawaii is geographically isolated from sources of oil, which is why renewable and sustainable energy continues to be in the public interest. This is especially true given the high cost of electricity in Hawaii, particularly on the island of Molokai. We need local renewable and sustainable sources of energy so that we can enjoy the benefits of being an energy independent state.

"We also must remember the cost benefits the people of this state will enjoy when we invest in renewable energy. Utilizing local renewable energy sources is more cost effective, which translates to less cost to the consumer. In Hawaii, saving every little bit counts. There are plenty of families throughout these islands who could use some extra money in their pockets. The money renewable energy projects will save our citizens can be reinvested back into our economy in more diverse ways. This will invigorate our economy because profits from energy would be spread around instead of just going to one sole energy provider.

"Furthermore, this measure will allow us to: eliminate or greatly reduce the carbon footprint of the island of Molokai, provide substantial energy cost savings to the residents and businesses on the island of Molokai, stabilize the electrical grid on the island of Molokai, extend the life of existing electrical equipment on the island of Molokai, and increase the robustness of electrical service on the island of Molokai in the event of an emergency.

"Beyond that, Mr. Speaker, these projects will generate millions of dollars in construction project spending and also create long-term jobs on the island of Molokai. They will also help the state, counties, and federal government meet their goals to reduce their consumption of fossil fuels and mandates for renewable energy.

"Mr. Speaker and distinguished Members of this Body, we can all benefit from expanding our sources and providers of energy in the State of Hawaii. I urge everyone to please take careful consideration of this bill and to vote yes on HB 1942. 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. 1942, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST WITH THE PLANNING, DESIGN, CONSTRUCTION, EQUIPPING, LAND LEASES, AND OTHER TANGIBLE ASSETS FOR A RENEWABLE ENERGY PROJECT WITH ENERGY STORAGE TECHNOLOGY ON THE ISLAND OF MOLOKAI," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 60-14 and H.B. No. 2543, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B. No. 2543, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST BIOTORK HAWAII LLC," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 61-14 and S.B. No. 2981, SD 2, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2981, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ECONOMY," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 64-14 and S.B. No. 2779, SD 1, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 2779, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

"Thank you, Mr. Speaker. I'm still in opposition to this bill. When I started this journey, I said that confidential tax information should remain confidential. I am still of that position. On my last presentation on this Floor, I cited five concerns that were the reasons for my opposition. I was hoping that these concerns would be resolved in conference committee. Unfortunately, none of my concerns would be address in the conference committee, and the only change that was made to this bill was to correct the defective date.

"Mr. Speaker, if I could ask that my Floor remarks on this measure on April 8th be reentered into the Journal so that the record may reflect my concerns again? Thank you, Mr. Speaker.

"Since that time on April 8th, a white paper has been submitted to the Speaker of the House on April 14th in support of this measure. The white paper was submitted by Mr. Dean H. Seki, the Comptroller, Hawaii State Department of Accounting and General Services; Mr. Kalbert K. Young, Director of the Hawaii State Department of Budget and Finance; Mr. Fred Pablo, Director, Hawaii State Department of Taxation; and Mr. David M. Louie, Attorney General, State of Hawaii. And Mr. Speaker, I would like to ask that this particular white paper be inserted into the record. Thank you, Mr. Speaker. That was done on April 14th.

"On April 16th, Mr. Speaker, I submitted to you a rebuttal of the white paper, as submitted by these gentlemen. And I'm not going to go over my eight points in the rebuttal, unless of course you would want me to but I don't think so. But Mr. Speaker, I would ask that my rebuttal statement to this white paper be inserted into the Journal. Thank you, Mr. Speaker.

"You know, Mr. Speaker, something went terribly wrong here. If you read the white paper, and also the testimony in the record for this bill, there was a breach of security at the Department of Taxation, and confidential tax information was intentionally released to third parties. Mr. Speaker, this bill tries to cover up that breach, and attempts to make this illegal act legal.

"Mr. Speaker, although the authors of the white paper already admitted that there was a security breach, I additionally asked Mr. Josh Wisch, the

Deputy Director of Taxation to investigate the allegations. Since I wasn't a witness, they were mere allegations to me. At this time I've yet to get a response from him, and I hope in the near future the results of the investigation will be given to us. And if there was a breach, the proper protocols for a security breach, as stated in HRS 487N, will be implemented.

"Since I last spoke on this measure, I have contacted NCSL and CSG to do a survey on how other states handle this situation. And of course because of the short time, and the study is not complete, from the data given to me, it seems that most states allow the state auditor, not a third party, to access information. This is the model which the Internal Revenue Service does, which only allows access to the Comptroller General with oversight of a Congressional Oversight Committee on Taxation.

"Mr. Speaker, I would like this chart received from CSG, which shows that the majority of the CAFR's are performed by the state auditor and not outside third parties, be entered into the record. Thank you, Mr. Speaker.

"Mr. Speaker, the reason for wanting access to confidential tax information is because one firm, in order to audit the state financial statement, wants to look at confidential tax information. And further, they further threaten us by saying if the CAFR's not out, it might affect our bond rating. This is not true, Mr. Speaker.

"Mr. Speaker, although it is not my place, as a professional auditor I have made suggestions on how to work around this problem. This problem is not the end of the world. And this one nagging question I still have, which is unanswered, is why does anybody want to look at confidential tax information? As a professional auditor, I can think of a half a dozen different ways to get around this problem. And so let me submit this alternative to you, although I realize it's not my place. I posed a question."

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

Representative Choy continued, stating:

"Thank you, I'm being long-winded again. I'm sorry. So let me just go back, and I did submit an alternative. And I asked, I said, why do you have to look at my tax return to do your testing? Why can't you put in sample data? Why can't you put in fake tax returns? Hundreds if you want. Run it through the system. See if it posts properly, and continue with your audit. And if you're really clever, Mr. Speaker, you could make half the returns with payments and half the returns with refunds so you wouldn't even have to adjust your books. They never ever replied to me, Mr. Speaker.

"Mr. Speaker, as I look at this proposal, only one firm says they have to look at confidential tax information. And Mr. Speaker, that is not a good enough reason to pass this measure. I still stand in opposition. Thank you."

Representative Choy submitted the following:

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
HELE ABERCROMBIE
GOVERNOR


STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
P.O. BOX 119, HONOLULU, HAWAII 96810-0119


Dean H. Seki
Comptroller
Marie E. Zlatoski
Deputy Comptroller


April 14, 2014

TO: The Honorable Joseph M. Souki
Speaker of the House

FROM: Dean H. Seki, Comptroller 
Department of Accounting and General Services

 Kalbert K. Young, Director
Department of Budget and Finance

 Frederick D. Pablo, Director
Department of Taxation

David M. Louie, Attorney General 
Department of the Attorney General

RE: White Paper Relating to SB2779

Summary

SB2779 is necessary in order to effectively authorize state departments, the Legislative Auditor, and external auditors access to necessary tax records in the execution of producing the Comprehensive Annual Financial Report (CAFR). Without SB2779, the CAFR will likely be completed with qualified limitations by auditors which would diminish the quality of the CAFR for reviewers, investors, and credit agencies which rely on the document.

Background

SB2779 was introduced to address an issue raised by the independent auditor (Deloitte) at the conclusion of the State's FY2013 audit. During the course of conducting the audit, Deloitte was unable to perform sample testing of tax documents to verify payments and

processing between Department of Taxation (DoTax) and Hawaii Information Consortium (HIC), a third-party contractor. When Deloitte requested access to the tax returns in order to perform the testing in accordance with industry auditing standards they were denied access by DoTax personnel because section 235-116, HRS makes it a criminal offense for any officer or employee of DoTax to disclose tax return information to any person other than the taxpayer or taxpayer's authorized representative.

Since a significant amount of tax revenue testing had already been performed at the time of the matter, Deloitte was able to opine on the CAFR for FY2013. However, Deloitte alerted DAGS, Budget and Finance, and the Legislative Auditor that not providing access to tax records in the future would create serious scope limitations resulting in a qualified audit opinion or no opinion at all.

Historically, at the onset of an annual audit, Deloitte has indicated that they reference the Comptroller's Memorandum relating to the audit to the DoTax staff. For the FY2013 audit, Comptroller's Memorandum No. 2013-13 was referenced by Deloitte. As in previous years, the Comptroller's Memorandum gives notice as to the accounting firm serving as the State's auditors (for FY2013 it was Deloitte and Touche) and that "...the audit will include examining the State's records, transactions, and information application processing systems..." The memorandum requests the cooperation of all affected agencies.

DoTax has provided the independent auditor with controlled access to taxpayer information only when necessary for the sole purpose of auditing the CAFR. Further, Deloitte approximates 200 – 250 tax returns may be reviewed annually in connection with the CAFR in order to complete its field audit. Deloitte has served as the State's independent accountant for the past seven (7) years, has had such controlled access until now. Controlled access involves a DoTax staff member pulling specified returns for the auditors viewing; the auditor cannot make hard or soft copies and cannot walk away with it.

SB2779 was drafted with the collective understanding and agreement from DAGS, DOTAX, the Attorney General, the Legislative Auditor, and Budget and Finance, that the Legislative Auditor would have access to tax return information that is relevant and necessary for completing the CAFR audit.

Privacy Issue

SB2779 was carefully drafted and vetted by DAGS, DOTax and the Attorney General's office to address the privacy issue relative to individual tax returns by restricting access of such returns *solely* for the purpose of the audit of the CAFR. The language specifically prevents "fishing expeditions."

State law (Section 23-5(a), Hawaii Revised Statutes) authorizes the State Auditor to examine and inspect all accounts, books, records, files, etc. of the State. Likewise, under State law the Legislative Auditor may employ the services of certified public accountants or accounting firms. Under principles of agency law, the Legislative Auditor may delegate such authority to an accounting firm in order to prepare the State's CAFR. Independent auditors have a fiduciary responsibility to their client and are held to the audit, ethical and attestation standards by the American Institute of Certified Public Accountants (AICPA) and Governmental Accounting Standards Board (GASB). The issue of trust and confidentiality by a Certified Public Accountant (CPA) is not unlike that between a client and an attorney.

An alternative to SB 2779 has been suggested to have the independent auditor rely on work performed by a State employee, i.e., an internal auditor. While it is accurate to state that an independent accountant may have an internal auditor prepare schedules and reconciliations, the independent accountant must have the ability to drill down to specific details should a schedule or comparative report raise questions. *Simply stated, an independent accountant who opines and ultimately signs their name on financial reports of a client is not independent if they are forced to rely on work prepared by an internal auditor without any opportunity to perform their own audit procedures.* We believe this is not a viable workaround and have confirmed this with Deloitte as well as other CPAs.

Ramifications of Not Passing SB2779

Tax revenue comprises the single largest source of State revenue. Consequently, from an audit standpoint, tax revenue is a critical part of the annual audit of the CAFR. If the independent auditor cannot be provided controlled access to the details of transactions when necessary, e.g., a taxpayer return, the State is imposing a serious scope limitation on the audit. The result will likely be either a qualified opinion or no opinion at all. The practical consequence is that the State would be paying its independent auditor with no resultant deliverable. More significantly, without an unqualified or clean opinion, it is very likely that credit rating agencies such as Standard & Poor's, Moody's and Fitch could degrade the State's credit rating and/or investors will consequently be impacted without an expectant financial report. The result could be higher financing costs for State-issued debt. Consider that the state issues hundreds of millions of dollars in debt each year with durations as long as 20 years. A one basis point (0.01%) impact would equate to millions of dollars of additional cost. Speculating on the quantified effect of such an economic impact suggests that it will have a negative effect on the State's financial standing, its budget, and ultimately taxpayers.

At this point in time we are only aware of one other state (Missouri) in the United States that does not allow the auditor to have access to tax returns. As a result of denying such access to tax records, Missouri was issued a qualified opinion by its auditor.

As the stewards of the State's ultimate financial well-being, both the Legislature and the Administration must avoid this result. Not passing SB2779 will ultimately hurt the taxpayers – not protect them.

Viable "Workaround" To Address Privacy Issues

DoTax is willing to create and implement strict procedures to ensure that access by the State Auditor and its agents is limited to tax information needed for the validation and completion of the CAFR.

For example, sensitive information could be redacted on the computer screen or by simple use of post-it notes by DoTax staff for viewing by the auditor. While this would require additional DoTax staff time, there are typically no more than 200 – 250 returns that may be reviewed. We believe this is a manageable operational procedure that can be implemented for future audits. These alternatives will still require the authority provided in SB2779 to be effective.

Conclusion

Given that tax revenue is the single largest source of revenue for the State, all components must be audited in order for the independent auditor to provide an opinion on the State's CAFR. Taxpayer information is *only* requested when a questionable transaction is observed or to drill down to a tax return to complete testing of controls over tax revenue. Professional auditing standards require auditors to observe confidentiality in all facets of the audit. While controlled access has been given to the outside auditors in the past, we believe we can further strengthen those controls to address the privacy concerns raised.

Without SB2779, the State will face financial uncertainty due to "no opinion" from the outside auditor. This will likely result in lower credit ratings and higher debt issuance costs.



HOUSE OF REPRESENTATIVES
STATE OF HAWAII
STATE CAPITOL
HONOLULU, HAWAII 96813

April 16, 2014

The Honorable Joseph Souki
415 S. Beretania Street, Room 431
Honolulu, Hawaii 96813

RE: SB2779 SD1-HD1 – Relating to Financial Audit of the State of Hawaii by the Legislative Auditor

Dear Mr. Speaker:

Thank you for allowing me to review the whitepaper on SB2779 SD1 HD1. I have stated my comments below and am still in opposition to this measure. I believe the sanctity of confidential tax information far outweighs the reasons for disclosure as stated in the whitepaper.

I believe we should bifurcate this subject into two parts: What happened in the past; and what we need to do going forward.

I have requested DoTax to investigate the "possible" breach of confidential tax information and "possible" violations of HRS 235-116. If there was a breach of security, I believe that HRS 487N would apply and those procedures must be followed.

It is important to note that if a breach has not occurred, then I would question the need for this bill.

As for what we must do in the future, I would submit that the state needs to hire accounting professionals who understand accounting and auditing. The whitepaper indicates to me, that this lack of understanding is putting the state at risk.

First, I am questioning the "agency relationship" between the legislative auditor and the third party vendor. Does the third party vendor realize that they are an agent of state government? Does this impair their independence?

Second, has anyone questioned what management assertion is being validated? Has anyone asked for the audit program, sampling plan, work papers, and conclusions?

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Speaker Joseph Souki
Page 2

Third, does the auditor's work programs, notes and work papers benefit from the same confidentiality privilege as an attorney?

Fourth, how does the auditor keep the work papers secure from others such as Peer Reviewers, Internal Reviewers, or even the GAO?

Fifth, is the auditor's need for disclosure of confidential tax return information for substantive testing or compliance testing valid?

Sixth, why is the auditor unaware of the laws and regulations affecting the client before starting the audit?

Seventh, why are there no procedures and processes in place at DoTax for providing audit trails for confidential tax information, knowing that a CAFR is required?

Eighth, are there any other alternative procedures besides the one I am offering?

This is not a complete rebuttal to the white paper, but I believe that before we bring down the entire revenue structure of the state, it is in our best interest to get answers to these 8 concerns.

If you have any questions, please contact me at 586-8475.

Sincerely,

Isaac W. Choy
State Representative, District 23

cc: Dean H. Seki, Comptroller
Department of Accounting and General Services

Kalbert K. Young, Director
Department of Budget and Finance

Frederick D. Pablo, Director
Department of Taxation

David M. Louie, Attorney General
Department of the Attorney General

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Table 2
CURRENT AUDITS
(Chapter 2, §1 & §7-11)

State and Office	Name and Email Address of Person Preparing the CAFR	Financial Audit of CAFR? (Yes/No)	Fiscal Year Most Recent	Issue Date of CAFR	Included in CAFR?	Independent Auditor's Opinion	Applied for GFOA Certificate? Most Recent Award (Y/N)
Alaska Office of the State Comptroller	Michelle Johnson mjohnson@comptroller.alaska.gov	Yes	June 30, 2011	December 15, 2011	Yes	Unqualified opinion for all option units	Yes, 2010
Alaska General Accounting Office	Lisa Pauch lpauch@alaska.gov	Yes	June 30, 2011	December 15, 2011	Yes	Unqualified opinion for all option units	Yes, 2010
Arizona Office of the Auditor General	Yes, Office of the Auditor General	Yes	June 30, 2011	February 10, 2012	Yes	Unqualified opinion for all option units	Yes, 2010
Arizona Legislative Auditor	Yes, Division of Legislative Audit	Yes	June 30, 2011	December 22, 2011	Yes	Unqualified opinion for all option units	Yes, 2010
California Office of the State Auditor	Beverly England beotland@soa.ca.gov	Yes	June 30, 2011	March 23, 2012	Yes	Unqualified opinion for all option units (13 option units), February 24, 2012	Yes, 2010
Colorado Department of Personnel and Administration	Tammy Nelson tammy.nelson@state.co.us	Yes	June 30, 2011	December 16, 2011	Yes	Unqualified opinion for all option units (13 option units)	Yes, fiscal year 2009-10
Connecticut Office of the Comptroller	Dawn New Young dnewyoung@ct.gov	Yes	June 30, 2011	February 26, 2012	Yes	Unqualified opinion for all option units	Yes, 2010
Connecticut Department of Finance	Yes, Office of the State Auditor	Yes	June 30, 2011	February 6, 2012	Yes	Unqualified opinion for all option units	Yes, 2010
Connecticut Department of Financial Services	Yes, Auditor General, State of Connecticut	Yes	June 30, 2011	February 25, 2012	Yes	Unqualified opinion for all option units (14 option units), January 25, 2012	No
Georgia Accounting Office	Elin Tate etate@ga.gov	Yes	June 30, 2011	December 31, 2011	Yes	Unqualified opinion for all option units	No
Hawaii Department of Accounting and General Services	Wynne Isaac wisaac@hawaii.gov	Yes	June 30, 2011	February 16, 2012	Yes	Unqualified opinion for all option units	Yes, 2008
Hawaii Office of the State Controller	Shawill Scudder sscudder@hawaii.gov	Yes	June 30, 2011	December 23, 2011	Yes	Unqualified opinion for all option units	Yes, 2010
Hawaii Office of the State Comptroller	Kate MacLean kmaclean@hawaii.gov	Yes	June 30, 2010	June 30, 2011	Yes	Unqualified opinion for all option units	Yes, 2010
Indiana Office of the Auditor of State	Yes, State Board of Accounts	Yes	June 30, 2010	December 29, 2011	Yes	Unqualified opinion for all option units	Yes, 2010

Table 2
CURRENT AUDITS
(Chapter 2, §1 & §7-11)

State and Office	Name and Email Address of Person Preparing the CAFR	Financial Audit of CAFR? (Yes/No)	Fiscal Year Most Recent	Issue Date of CAFR	Included in CAFR?	Independent Auditor's Opinion	Applied for GFOA Certificate? Most Recent Award (Y/N)
Iowa Department of Enterprise Services	Clavin Mason cmason@des.iowa.gov	Yes	June 30, 2011	December 20, 2011	Yes	Unqualified opinion for all option units	Yes, 2008
Kansas Office of Management and Enterprise Services	Kim Moore kim.moore@ks.gov	Yes	June 30, 2011	December 16, 2011	Yes	Unqualified opinion for all option units	Yes, 2010
Kentucky Office of the Controller	Alanna Adkins adkinsa@kentucky.gov	Yes	June 30, 2011	December 28, 2011	Yes	Unqualified opinion for all option units	Yes, 2010
Maine Office of the State Controller	Hiedi McDonald hiedi.mcdonald@maine.gov	Yes	June 30, 2011	December 29, 2011	Yes	Unqualified opinion for all option units	Yes, 2010
Maine Office of the Comptroller	J. Michael O'Grady, Jr. jogrady@maine.gov	Yes	June 30, 2011	December 15, 2011	Yes	Unqualified opinion for all option units	Yes, 2010
Massachusetts Office of the Comptroller	Howard McKeown hmc@comptroller.state.ma.us	Yes	June 30, 2011	January 3, 2012	Yes	Unqualified opinion for all option units (17 option units), January 3, 2012	Yes, 2011
Michigan Financial Management	Lora Weida lweida@mfmanet.michigan.gov	Yes	September 30, 2011	March 15, 2012	Yes	Unqualified opinion for all option units	Yes, 2010
Minnesota Management and Budget	Melissa Wernick melissa.wernick@mn.gov	Yes	June 30, 2011	December 20, 2011	Yes	Unqualified opinion for all option units	Yes, 2010
Minnesota Department of Finance	Yes, Office of the State Auditor	Yes	June 30, 2011	December 19, 2011	Yes	Unqualified opinion for all option units	Yes, 2010
Missouri Department of Accounting	Sheryl Neal sneal@doac.mo.gov	Yes	June 30, 2011	January 25, 2012	Yes	Combination opinion	Yes, never received
Missouri State Accounting Division	Paul Chiriac pchiriac@doac.mo.gov	Yes	June 30, 2011	March 26, 2012	Yes	Qualified opinion	Yes, 2010 (did not apply for 2011)
Mississippi Department of Administrative Services	Bruce Snyder bsnyder@doas.ms.gov	Yes	June 30, 2011	December 29, 2011	Yes	Unqualified opinion for all option units	Yes, 2010
Nevada Office of the State Controller	Brenda Laird blaird@nscc.nv.gov	Yes	June 30, 2011	January 31, 2012	Yes	Unqualified opinion for all option units	Yes, 2011
Nevada Department of Administrative Services	Stephan Smith smiths@nvdms.gov	Yes	June 30, 2011	February 28, 2012	Yes	Unqualified opinion for all option units	Yes, 2010

Table 2 CURRENT AUDITS (Chapter 2: Q1 & Q7-11)

Table with columns: State and Office, Name and Email Address of Person Preparing the CAFR, Financial Audit of CAFR?, Issue Date of CAFR, Included in CAFR?, Independent Auditor's Opinion, Applied for GFOA Certificate? Most Recent Award (Y/N)

State Comptroller: Technical Activities and Functions, 2012

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

"Mr. Speaker, I speak very strongly in favor of this measure. All during the time of this difference between a former auditor and the staff who has staked their reputation on this measure, the Attorney General, the budget officer, the state tax director, all staking their reputation that this bill is proper as it is right now.

"There are over 30 states that have been doing this. Nobody has called them as doing anything wrong. I have not had one call from any other CPA office saying that this bill is bad. There is only one person who, a very good accountant, I'm sure, and a very good auditor, is saying consistently that this is bad. But I hear from nobody else, no other accounting office, no other auditing office is calling me and saying that we should shelve this bill.

"So Members, I want you to think about this. The majority of the people who are responsible for the state, the responsibility of maintaining the solvency of the state, says that this bill is good. So how can we consistently say that it's bad? And also remember that there are 30-plus states in the nation who are using this system right now. Members, I rest my case. Thank you."

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

"Thank you, Mr. Speaker. In support. And I do want to thank the Attorney General's Office. They were the ones in consultation with the Auditor's Office that questioned the disclosure of tax information. So this past year, if there was no discrepancy, we would have never found out about this situation, that the auditor was providing tax information to a third party.

"But because of that situation that occurred, we are able to correct and protect the public taxpayer information by putting a criminal provision, because it's not just looking at the tax information, it's not just looking at the personal information, but if you were to disseminate or use it for any other purposes but for CAFR and auditor's purposes, you are going to be liable for a class C felony. Class C felony is much more than just a fine, it's jail time. And it's correcting some of the wrongs that the good Representative from Manoa had inferred that we are trying to correct with this bill. So, in strong support."

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

"Thank you, Mr. Speaker. In opposition. The reason for me that I am voting with opposition is because when I did research the information that the Representative from Manoa was talking about, with the department, the Auditor's Office, and the Department of DAGS. And we looked at some of the things, and the Finance Chair is absolutely right. They're trying to fix something that was broken for a long time. But the information that they say that they can't give out by this mainland auditing firm, is not true. And the reason I say that is because I talked to local auditors here.

"So it's this auditing firm's information, or their procedure, that is the concern. Because the local guys, they don't have that same concern, Mr. Speaker. And that's why I am voting in opposition for this bill, Mr. Speaker. Thank you very much."

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

"Thank you, Mr. Speaker. I rise with reservations. I appreciate some clarity brought to us by our honorable Speaker of the House and our Finance Chair. I think that's good information. But I do have concerns that we have a state employee accessing information. However, I am very pleased that we have severe penalties, and I believe that should be a deterrent.

"I do think that the public right now is very concerned about privacy. At the federal level, based on what happened with tax returns, I think the public is very concerned right now. So I do think the public mood may not

Table 2 CURRENT AUDITS (Chapter 2: Q1 & Q7-11)

Table with columns: State and Office, Name and Email Address of Person Preparing the CAFR, Financial Audit of CAFR?, Issue Date of CAFR, Included in CAFR?, Independent Auditor's Opinion, Applied for GFOA Certificate? Most Recent Award (Y/N)

Notes: 51 Jurisdiction / 13 on study has 3rd parties. Issue from CAFR. * Eight states plus the District of Columbia did not respond to this part of the 2012 survey. Information for this table was obtained from other sources for Arizona, Arkansas, Indiana, Kansas, Minnesota, New Jersey, Vermont, Washington and District of Columbia.

1. I calculate 11, auditor - 13 (2 pensions?), March 16, 2012.

State Comptroller: Technical Activities and Functions, 2012

support this, and have concerns. But I understand why we need to move it, that I will vote with reservations. Thank you."

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

"Mr. Speaker, in opposition. Mr. Speaker, following the logic of the previous speaker, we often look at the trees and miss the forest. This nation is now under a barrage of invasion of privacy. The NSA, the phone calls, the emails, the basic fear that we can't even find a Malaysian Airlines airplane even though we are supposedly good at finding out everybody's phone numbers and their conversations and their emails.

"Mr. Speaker, do you remember the name of Edward Snowden? He's the agent of the state who was doing his job and then decided, 'well, I think all this information that's private should be given to the rest of the world.' Which may cost this country its security, its military, possibly billions of dollars to change tactics. Mr. Speaker, who do you trust? We are to trust the people, and we are to give them the priority as we are sworn by the constitution, to uphold the security, the safety, the general welfare of the public.

"I think right now in the context of this bill, for the sake of one government report, we have to jeopardize all the people of Hawaii and their privacy. Is it worth it? I think these guys on the inside who get their profession as an accountant aren't to be trusted."

Representative McKelvey rose, stating:

"Mr. Speaker, could you please have the speaker not point at me when he's talking."

Representative Ward: "I was looking at the gentleman from Manoa. He's much better looking than you, thank you."

At 12:46 o'clock p.m., the Chair declared a recess subject to the call of the Chair

The House of Representatives reconvened at 12:46 o'clock p.m.

Representative Ward continued, stating:

"Mr. Speaker, rephrasing that without looking at the gentleman from Manoa. I trust the insiders view with what's going on with this thing. Not somebody, and I respect the Speaker who's a realtor, but an accountant who knows from the inside what's going on with this, I trust his judgment. Mr. Speaker, this is an inside flaw of which I say, and I submit for the sake of the security of the people of Hawaii and their tax returns, we should not for the sake of a government report jeopardize those constituents, 1.4 million, who we represent.

"Therefore, Mr. Speaker, I urge all those to vote no on this bill for the sake of a government report that we can do in another way, of which the insiders have already said, 'there's nobody locally who will buy into this.' And I don't think anybody called up Mr. Snowden to say, 'don't give away these particular issues.' I don't know if, Mr. Speaker, even called the NSA and said, 'don't tap my phone.' Based upon phone calls, Mr. Speaker, we can't do our votes on that alone. For those reasons, Mr. Speaker, a no vote is the appropriate one. Thank you."

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

"Mr. Speaker, a few comments in support of this measure. I'm glad that the Hawaii Kai Representative referred to the constitution, because this debate, similar to one that occurred 10 years ago in 2004 when we authorized the State Auditor to conduct the CAFR, and in part we based that decision upon our State Constitution. Because it is important for us to remember that our State Constitution creates the Office of the State Auditor. And that provision was enacted in 1968 by the voters of Hawaii.

"One of the duties that is specified in the constitution for the auditor is as follows. 'It shall be the duty of the auditor to conduct post-audits of the transactions, accounts, programs and performance of all departments,

offices and agencies of the State and its political subdivisions, to certify to the accuracy of all financial statements issued by the respective accounting officers and to report the auditor's findings and recommendations to the governor and to the legislature at such times as shall be provided by law.' It was based upon that provision that the Legislature required the auditor to conduct the CAFR each year, beginning in 2005.

"I would submit that tax records are not always confidential. There is no blanket rule for confidentiality, and the analogy that I would like to give is, in a lawsuit, in a situation where someone's tax records may relate to a claim that is being litigated in a case, those tax records are subject to disclosure. And what happens in that situation is that the attorneys on the case will likely enter into a protective order that would require that the records be kept confidential and not be disclosed to third parties, other than the third parties that are listed in the protective order. The protective order would allow the records to be disclosed, not just to the attorneys, but to the attorneys' agents who are working on the case, including outside vendors, as well as a court reporter who may happen to be transcribing a deposition that involves the tax records. The protective order would also impose a penalty if anyone violates the protective requirements.

"Those safeguards are exactly what are identified in the bill before us. This legislation requires that the records be kept confidential, and that they be disclosed only to third parties that are necessary for the completion of the audit. This bill also provides for a class C felony penalty for the improper disclosure of records.

"This legislation furthers our state constitutional provision that requires the auditor to conduct audits on behalf of our state. And it also ensures that the privacy of those records will be kept intact. Thank you very much."

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

"Thank you, Mr. Speaker. Mr. Speaker, I'm rising in support of the measure, and would like to adopt the words of the Majority Leader, which were very persuasive to me in changing my opinion. Thank you.

"I have seen an interpretation by the Manoa Representative on another matter which turned out to be incorrect. Okay, I won't go there anymore. So I would like to say that the interpretation of the Majority Leader carries great weight with me, particularly with his legal background and his analysis. So I support this measure. Thank you."

Representative Choy rose to respond, stating:

"Thank you, Mr. Speaker. Still in opposition. I mean, who am I to argue with a lawyer who is interpreting the constitution? But the first thing about the state auditor's power to do post audits. That was actually brought up in 1974 by the Missouri Supreme Court who actually said, yes, the state auditor can do post audits of different agencies, they can see how much money they spend, they can audit all of that. It does not say that the state auditor can look at confidential information.

"Mr. Speaker, if that was true, they could go to the Department of Health and look at confidential health information. I believe that is not true, under HIPAA you could not. You could not. The state auditor has every right, every right to audit agencies, but not look at confidential information. That is not in our constitution.

"The second point, actually he talks about in a court case tax information that's brought to bear for evidence. And I think he makes my point. Accountants do not have privilege. If I am subpoenaed by the courts to give my client's tax returns up, I have no choice. I have no choice. But I challenge him, if he were to subpoena the tax office, I wonder if he would get that information.

"So Mr. Speaker, I'm still in opposition, and I will submit more written comments to the Journal. Thank you."

Representative Choy's written remarks are as follows:

"Mr. Speaker, my final comments are, should this bill pass this Legislature and become law, I believe it is only fair to disclose that fact to

the taxpayers of Hawaii that their confidential tax return information may be viewed by an outside third party. Thank you."

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

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

"Mr. Speaker, in opposition. First, may I have the words of the Representative from Lihue and the Chair of Higher Education adopted as my own? Mr. Speaker, there's several things that the Representative of Manoa mentioned that really concern me. First of all, Mr. Speaker, that there was a clear violation of law, and it seems to be validated by comments that the Attorney General made. And yet, there seems to be no concern about that. The invasion of a number of people's privacy, Mr. Speaker, seemed, I would hope would be a matter of greater discussion and concern within this Body.

"Secondly, Mr. Speaker, it is very clear, as has been stated by a very competent..."

The Chair addressed Representative Fale, stating:

"Representative Fale, I apologize. I have to state this rule. The House rules indicate that you can condemn a bill on its merits as harsh as you want to, but you are to treat Members with the utmost respect. So, to infer that any of the Members may be allowing something that's illegal to pass is not correct. So you can condemn the bill on its merits as hard as you want. That's fine. But please do so without attacking any of the Members. Please proceed."

Representative Fale continued, stating:

"Okay. Following up to that, on testimony that was given, Mr. Speaker, that it is very clear that we don't need this measure. An alternative pathway was given in which we could achieve the same objective without going into the private records of citizens of the State of Hawaii. Now, if we can achieve the same goal, the same end game without looking at the confidential information of the people that we represent, Mr. Speaker, why would we do that? Given the history of the violation of privacy that seems to be rampant throughout society these days, not only by elected officials, and governments, and other private institutions, Mr. Speaker. Why would we further put at jeopardy the privacy of regular citizens, Mr. Speaker, who I think we carry the responsibility of protecting?"

"So if we can do this, and clearly that seems to be the case, that we can achieve our mission, the goals, the objectives of what we need to do as far as civil servants for the State of Hawaii, without going in to the private lives of our constituents, Mr. Speaker, I think we should do that. And at least, at the very least, try that first. If this is the absolute last option where we can't do our job without doing this, then maybe we can do that. But if other options are available, Mr. Speaker, I believe that we should aggressively pursue those.

"Thirdly, Mr. Speaker, I'm very concerned that there hasn't been a response from the various agencies to the concerns that were raised by the Chair of Higher Education in regards to this measure. I believe it would be very prudent and wise for this Body to hold on action that could carry some serious consequences for private citizens until we get answers to some of these questions, Mr. Speaker. And if we can operate in a way that will guarantee the privacy of those individuals, because we can do this. We can do this without looking at this information. And if we don't have to open that box, Mr. Speaker, I think it's better to leave it closed. And for those reasons, Mr. Speaker, I am opposed to this measure."

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

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

"Thank you, Mr. Speaker. In opposition. Thirty-five years of preparing individual and corporate, as well as nonprofit tax returns, that's where I come from. Sitting across the desk of preparing probably over 20,000 returns with the confidentiality between that client and myself, that's what we're talking about here. And that paperwork being transmitted to the Department of Taxation in the State of Hawaii.

"I hope Members review the testimony provided by the Department of Taxation. And if I may, Mr. Speaker, may I read part of it? Thank you. 'State taxes are administered largely through voluntary compliance on the part of taxpayers.' Voluntary. Part of the motivation to voluntarily report tax information to the State laws, we protect that. They voluntarily provide this information, with the understanding that we're going to protect that information. Any erosion of this promise between us, as the state, the Department of Taxation and those voluntarily complying taxpayers, may erode our system. That system under Title 14 of our statutes. That's what we're talking about here. And that's probably why people haven't heard from the general public out there, because they haven't heard about this small measure that has big consequences.

"Now, I don't have a problem with complying with audits. I don't have a problem with providing information to our auditor, as long as it's protected information. Redact their names, redact their address, redact their social security number. We can put false data into those tax returns to see if the system operates, just as the good Representative of Manoa has stated.

"Again, we need to protect this information, and I'm not comfortable with my auditor allowing that information to go out to a third party. How can we say we're protecting that? And if we don't have enough resources in our Auditor's Office then maybe we should revisit that. But it's all of our jobs here to make sure that general public is protected. The Internal Revenue Service provides this. Why can't we at our state level? And if there was an issue where information has gone out, we'll be holding that bag sooner or later.

"But at this point in time this measure is not a good measure. Although it does come from our Governor's Office, we must still put that place of trust within those individuals that pay their fair share to run this government. And I really don't want to erode at that. This department, our Department of Taxation said, only limited access to taxpayers' information is needed to complete annual certified financial audits. That's all the information we were provided in any hearing.

"So in opposition. May I please have the good words of the Representative from Manoa as if they were my own? Thank you," and the Chair "so ordered." (By reference only.)

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

"Thank you, Mr. Speaker. I've already allotted my time to the Representative from Manoa, so I'll just ask for permission to submit written comments and have his remarks entered into the Journal as my very own. Thank you. In opposition," and the Chair "so ordered." (By reference only.)

Representative Oshiro's written remarks are as follows:

"Mr. Speaker, I rise in opposition to this bill.

"Let me preface my remarks by saying that I agree with and support the Representative from Manoa.

"The Representative from Manoa's arguments against this bill focused on the perspective of his experiences as an accountant. In contrast, I would like to provide some legal perspective.

"The federal government has already established the policy of confidentiality and limited disclosure of tax returns and tax return information. Section 6103 of the Internal Revenue Code of 1986 generally prohibits the disclosure of 'tax returns' and other 'tax return information' outside the Internal Revenue Service unless the disclosure falls within one

of the specific provisions of Section 6103(c) through (o). This policy was established through the enactment of the Tax Reform Act of 1976.

"Prior to 1976, tax returns were considered a matter of 'public record' but the law authorized inspection by, among other things:

- Order of the President and under regulations based on Executive Orders; or
- Request of the Governor for state or local tax authorities for state or local tax administration purposes.

"At that time, the disclosure of tax return information was widespread. In testimony received by the United States House Committee on Ways and Means, 94th Congress, 1st Session (1976), during calendar year 1975, nearly 30,000 tax returns were furnished to 18 federal departments and agencies, mostly to the Justice Department, for law enforcement purposes unrelated to tax administration. Sixty-six million magnetic tape records of selected data from individual tax returns were furnished to thirty-nine states plus the District of Columbia and Puerto Rico. Also, selected data on tape from approximately one hundred thirty-eight million tax returns were furnished to the Census Bureau.

"Based on these findings, the Chair of the Oversight Subcommittee of the House Ways and Means Committee stated:

" . . . there is cause for alarm that tax returns are not being accorded the protection and care that taxpayers expect or that common sense warrants . . . " [See, *United States v. Bachelier*, 611 F2d 433 (1979)]

"In addition to concerns about the extent of disclosure and the failure to adopt procedures designed to prevent unauthorized inspection, there was concern expressed that income tax information was being used extensively in federal courts just to attack the credibility of witnesses on unrelated facts, or was being used for political purposes in connection with 'enemies lists and groups targeted for harassment through the Internal Revenue Service'.

"As the result, provisions relating to confidentiality and disclosure of tax returns and information were included as part of a comprehensive substantive revision of the tax laws in the Tax Reform Act of 1976. The amendment to Section 6103 represented a legislative attempt to balance the basic rights of taxpayers to privacy with respect to their tax affairs and the legitimate need of federal and state agencies for access to tax information for a purpose useful, often essential, in carrying out their government function. (See, S.Rep. 938, 94th Cong. 2nd Sess. 318 (Pt. 1)., Reprinted in (1976) U.S. Code Cong. & Admin.News, 3439, 3747.)

"Under the revised Section 6103, the general rule has been established that returns and return information are to be confidential and not subject to disclosure except as authorized by statute. The prior practices had been circumscribed such as those requiring that disclosure to the President can be made only upon written request personally signed by him which specifies the reasons for the inquiry, and that tax information will be available only to state tax officials for use in administering the state tax laws. (See, *Bachelier*, supra.)

"This is made clear in the text of Section 6103 (b) (5) (iii), which reads:

"(iii) Disclosure to contractors and other agents. Notwithstanding any other provision of this section, no return or return information shall be disclosed to any contractor or other agent of a governmental entity referred to . . . unless such entity, to the satisfaction of the Secretary –

- (I) has requirements in effect which require each such contractor or other agent which would have access to returns or return information to provide safeguards . . . to protect the confidentiality of such returns or return information.*
- (II) agrees to conduct an on-site review every 3 years (or a mid-point review in the case of contracts or agreements of less than*

3 years in duration) of each contractor or other agent to determine compliance with such requirements.

(III) submits the findings of the most recent review conducted . . . to the Secretary . . .

(IV) certifies to the Secretary for the most recent annual period that such contractor or other agent is in compliance with all such requirements."

"So under federal law, in situations where a third-party contractor involved in the administration of federal tax law (i.e., processing of tax returns), in the contractor's capacity as an agent of the IRS or a regional income tax agency, certain explicit safeguards, including consent to reviews and protocols by the IRS, must be in place BEFORE federal tax returns or tax return information may be disclosed.

"Regarding the disclosure of federal tax returns or tax return information to state tax officials and state and local law enforcement agencies, Section 6103(d) is instructive.

"Section 6103(d)(2)(A) reads:

" . . . Any returns or return information obtained . . . by any State agency, body, or commission may be open to inspection by, or disclosure to, officers and employees of the State audit agency for the purpose of, and only to the extent necessary in, making an audit of the State agency, body, or commission of any State for the purpose of carrying out with such agency, body, or commission a combined Federal and State employment tax reporting program approved by the Secretary. . . "

"Section 6103(d)(2)(B) further reads:

"The Secretary may not make any disclosure under this paragraph after December 31, 2007." (Emphasis added.)

"A plain reading of the foregoing suggests that after December 31, 2007, Section 6103 prohibits the release of federal tax return or tax return information to state agencies for state or local auditing purposes.

"Further complicating the question on whether the federal government may disclose federal tax return or tax return information to a state agency is the decision rendered in *Huckaby v. United States Department of Treasury Internal Revenue Service*, 794 F2d 1041 (1986) in which the disclosure of federal tax return information from the IRS to a state agency pursuant to an oral request by the state agency was improper resulting in the taxpayer to be entitled to statutory damages of \$1,000, costs and reasonable attorney's fees.

"In this ruling, the United States Court of Appeals, Fifth Circuit, wrote:

"The point that is clear from these statutes and regulations is that the IRS cannot disclose return information to a state agency without some written communication." (See, *Huckaby*, supra.)

"Since federal tax return and tax return information is often comingled with state tax return and tax return information, how would the disclosure of information from the State Department of Taxation to the Auditor's third-party contractor not improperly violate Section 6103? At the very minimum, how could DOTAX even proceed under the blanket exemption proposed in this bill without:

- Promulgating rules to ensure the confidentiality of information received by the contractor;
- Submitting a written request to the IRS; and
- Receiving IRS approval to disclose federal income tax return or tax return information.

"And this is only if the IRS is still statutory authorized to disclose this information since the law providing such authorization apparently SUNSETTED on December 31, 2007.

"In my view, even if you agree with the Director of Finance, the Comptroller, the Tax Director, and the Auditor that the release of the CAFR, it is unclear whether the blanket authorization provided in this bill would do what it seeks given Section 6103 of the Internal Revenue Code. Moreover, that the Finance and Tax Directors, the Comptroller, and the Auditor seek this exemption raise many more questions on the manner in which confidential tax return and tax return information was disclosed in the past, and the practices these officials perform to prepare the Comprehensive Annual Financial Report.

"For these reasons, among others, I oppose this bill."

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

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

Representative Ichiyama's written remarks are as follows:

"Thank you, Mr. Speaker. I am in strong opposition to SB 2779 as currently drafted. First, I would like to explain that I have the utmost trust in our State Auditor and the work of her office. My concern regarding this bill is that we would allow third parties, non-governmental agencies, access to confidential taxpayer information. I have looked at other states; very few allow access to this type of information to non-governmental parties, for good reason. We have a voluntary tax system. If taxpayers feel that their confidential information, for example, health procedures, property sales, estate gifts, personal income, will be subject to outside scrutiny, they will be less likely to submit their tax return. The loss of taxpayer confidence, not to mention the loss in revenue to the state, is not worth any slight additional information we can gain for the Comprehensive Annual Financial Report. Especially, as the Representative from Kauai mentioned, if other auditing agencies can perform the same work without requiring access to confidential taxpayer information.

"Finally, I would like to share some of the history behind the current taxpayer confidentiality statute, the very statute that would be amended by SB 2779. In 1978, the Legislature inserted the first sentence of HRS §235-116, which states: 'All tax returns and return information required to be filed under this chapter shall be confidential, including any copy of any portion of a federal return which may be attached to a state tax return, or any information reflected in the copy of such federal return.'

"I looked back at the Standing Committee Reports for this addition. Both House and Senate committees inserted this language in order to comply with federal tax law. By amending this language, we will be in non-compliance with the IRS code and could lose our access to federal tax return information. This would weaken our tax enforcement and collections. For these reasons, I am strongly opposed to SB 2779. Thank you very much."

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

"Thank you, Mr. Speaker. I rise in opposition. I'd like to ask to insert the comments made by the Representatives from Hawaii Kai, Manoa, Lihue, Laie, and Waianae into the Journal as if they were my own. And with the Waianae's Representative, except for the comments about her extensive background history which I do not have. Thank you.

"In opposition. Senate Bill 2779, Senate Draft 1, House Draft 1, Conference Draft 1, compromises confidential tax information of residents and businesses in Hawaii. With reports of an increase in identity theft, credit card fraud, personal and private information being leaked, this bill is susceptible to the same breach for our constituents.

"Remember, Mr. Speaker, it only takes one person to create havoc in our state with our people's private information. And it took only one person to compromise the national security of the United States of America, as stated by the Representative from Hawaii Kai. So rest assured that I will not be supporting this measure, and I will go into my community with a clear conscience, knowing that I voted no for the aforementioned reasons. Thank you, Mr. Speaker."

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

"Mr. Speaker, I read the bill. I looked at the members of the conference committee and the managers, all of them voted up with no reservations. I believe that, hearing the arguments on both sides, it really is hard to determine my side, whether to go up or down. So I will going up with reservations. Thank you."

At 1:05 o'clock p.m., Representative Ward requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 1:05 o'clock p.m.

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2779, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FINANCIAL AUDIT OF THE STATE OF HAWAII BY THE LEGISLATIVE AUDITOR," passed Final Reading by a vote of 26 ayes to 24 noes, with Representatives Aquino, Awana, Carroll, Choy, Cullen, Fale, Fukumoto, Hanohano, Har, Hashem, Ichiyama, Jordan, Kawakami, Matsumoto, McDermott, Oshiro, Say, Takayama, Takumi, Tokioka, Tsuji, Ward, Yamashita and Yamane voting no, and with Representative Ito being excused.

Conf. Com. Rep. No. 65-14 and S.B. No. 2820, SD 2, HD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2820, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," passed Final Reading by a vote of 49 ayes to 1 no, with Representative McDermott voting no, and with Representative Ito being excused.

At 1:08 o'clock p.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 1942, HD 1, SD 1, CD 1
H.B. No. 2543, SD 1, CD 1
S.B. No. 2981, SD 2, HD 1, CD 1
S.B. No. 2779, SD 1, HD 1, CD 1
S.B. No. 2820, SD 2, HD 2, CD 1

At this time, the Chair stated:

"Members, we're going to be taking a lunch break for 45 minutes. Recess at this time."

At 1:08 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 2:15 o'clock p.m.

Conf. Com. Rep. No. 70-14 and H.B. No. 2288, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B. No. 2288, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF HAWAIIAN HOME LANDS," passed Final Reading by a vote of 48 ayes, with Representatives Cachola, Carroll and Ito being excused.

Conf. Com. Rep. No. 71-14 and H.B. No. 2598, HD 1, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B. No. 2598, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HAWAII 3R'S," passed Final Reading by a vote of 48 ayes, with Representatives Cachola, Carroll and Ito being excused.

Conf. Com. Rep. No. 73-14 and H.B. No. 2509, HD 1, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B. No. 2509, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION TO ASSIST COMMUNITIES WITH THE REMOVAL OF MOTOR VEHICLE TIRES," passed Final Reading by a vote of 48 ayes, with Representatives Cachola, Carroll and Ito being excused.

Conf. Com. Rep. No. 74-14 and H.B. No. 1951, HD 1, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B. No. 1951, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS TO ASSIST SEAWATER AIR CONDITIONING PROJECTS ON OAHU," passed Final Reading by a vote of 48 ayes, with Representatives Cachola, Carroll and Ito being excused.

Conf. Com. Rep. No. 75-14 and H.B. No. 2003, HD 1, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2003, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

"Just in strong support, and I would like permission to insert comments into the Journal. Okay, *mahalo*."

Representative McKelvey's written remarks are as follows:

"Mr. Speaker, new and innovative advancements in technology have provided improved methods to store sensitive information and data in cyberspace. Although there will always be new types of security threats and intrusion, this measure will improve cyber security and cyber resiliency by ensuring that any cyber threat or attack is met with a timely and coordinated response.

"Mr. Speaker, I find that coordination and collaboration between government agencies, the University of Hawaii, and the private and public sector is necessary to improve cyber security and cyber resiliency in the state. I feel that cyber terrorism to be a threat that knows no boundaries. As Hawaii is a central hub for the Pacific-Asia region, this prudent measure can only help the security of not only those in Hawaii but the entire Pacific Asian region as well."

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

"Mr. Speaker, we want to thank, on behalf of the House, the CPC Chair who prioritized this bill and made sure that this passed. This is going to ensure security for our state system throughout the future. So, 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. 2003, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CYBERSECURITY," passed Final Reading by a vote of 48 ayes, with Representatives Cachola, Carroll and Ito being excused.

Conf. Com. Rep. No. 78-14 and H.B. No. 2051, HD 1, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B.

No. 2051, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC WORKS OF ART," passed Final Reading by a vote of 48 ayes, with Representatives Cachola, Carroll and Ito being excused.

Conf. Com. Rep. No. 80-14 and S.B. No. 2486, SD 1, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 2486, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

"Mr. Speaker, in support. I'm just glad to see that the necessary changes to the bill were made, Mr. Speaker. I'd like to add additional written comments."

Representative Fale's written remarks are as follows:

"Mr. Speaker, I rise in support of SB 2486, SD1, HD1, CD1. This measure amends various provisions relating to private guards and individuals acting in a guard capacity by: reducing the continuing education requirement to four hours every two years; delaying the continuing education requirement to prior to the June 30, 2016, renewal cycle; and making permanent the registration and licensure requirements for private guards and individuals acting in a guard capacity by repealing the sunset date of Act 208, Session Laws of Hawaii 2010.

"Mr. Speaker, the original version of this bill included fee increases; the latest version of the bill does not include them. This bill, in its final form, is something that I can support.

"For these reasons, Mr. Speaker, I rise in support of SB 2486, SD1, HD1, CD1."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2486, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PRIVATE GUARDS," passed Final Reading by a vote of 48 ayes, with Representatives Cachola, Carroll and Ito being excused.

At 2:18 o'clock p.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 2288, HD 1, SD 1, CD 1
 H.B. No. 2598, HD 1, SD 2, CD 1
 H.B. No. 2509, HD 1, SD 2, CD 1
 H.B. No. 1951, HD 1, SD 2, CD 1
 H.B. No. 2003, HD 1, SD 1, CD 1
 H.B. No. 2051, HD 1, SD 2, CD 1
 S.B. No. 2486, SD 1, HD 1, CD 1

At 2:18 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 2:19 o'clock p.m.

At 2:19 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 2:19 o'clock p.m.

At this time, the Chair stated:

"Members, on page 17, Conference Committee Report Number 82, please note that this measure will be placed at the end of the calendar. That's Senate Bill 3065, Senate Draft 1, House Draft 1, Conference Draft 1, will be placed at the end of the calendar."

Conf. Com. Rep. No. 82-14 and S.B. No. 3065, SD 1, HD 1, CD 1:

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

At 2:20 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 2:21 o'clock p.m.

At this time, the Chair stated:

"Members, on page 17, please note Conference Committee Report Number 87, Senate Bill 2470, Senate Draft 1, House Draft 1, Conference Draft 1, will also be placed at the end of the calendar."

Conf. Com. Rep. No. 87-14 and S.B. No. 2470, SD 1, HD 1, CD 1:

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

Conf. Com. Rep. No. 81-14 and S.B. No. 2260, SD 2, HD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2260, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO WAGES AND HOURS ON PUBLIC WORKS," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 85-14 and S.B. No. 2057, SD 2, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 2057, SD 2, HD 1, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

Representative Carroll's written remarks are as follows:

"Thank you, Mr. Speaker. I am writing in support of SB 2057, which extends the repeal date and improves the Nursing Facility Sustainability program.

"I believe that continuing the Nursing Facility Sustainability program will benefit Hawaii residents by providing them with sustainable nursing facilities and thereby increasing their access to necessary long-term care.

"SB 2057 is the result of a collaborative effort between the Department of Human Services and the Healthcare Association of Hawaii. All parties have worked together and agree that our nursing facilities constitute a critical element of the health care continuum. Noting that the majority of residents in Hawaii's nursing facilities are Medicaid enrollees, they are the ultimate beneficiaries of this bill, which ensures that they continue to have access to quality care.

"Mr. Speaker and distinguished Members of this Body, this measure ensures the access and quality of our long term care nursing facilities. I urge everyone to please take careful consideration of this bill and to vote in support of SB 2057. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2057, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE NURSING FACILITY SUSTAINABILITY PROGRAM," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 88-14 and S.B. No. 702, SD 2, HD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 702, SD 2, HD 2, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

Representative Carroll's written remarks are as follows:

"Thank you, Mr. Speaker. I am writing in support of SB 702, which combats internet crimes against children by: establishing an internet crimes against children fee, which shall be assessed against a defendant for each felony or misdemeanor conviction of internet crimes against children; establishing an internet crimes against children special fund intended to enable law enforcement to investigate and prosecute such crimes and to assist groups working directly to fight such crimes; and making an appropriation to the internet crimes against children special fund and from the special fund for training and equipment, investigation and prosecution of internet crimes against children, and combatting such crimes.

"In 2008, USA Today reported that the Internet Crimes Against Children Task Forces had identified 2,297 unique computers in Hawaii trading sadistic images of infants and toddlers being tied up, tortured, and raped. Due to limited funds, equipment, and training, only a very small percentage of investigative leads related to such crimes are examined every month. Your Committee on Conference finds that imposing a fee on every defendant convicted of a felony or misdemeanor for internet crimes against children will help to establish funding to enhance the investigation and prosecution of such crimes and protect Hawaii's children.

"Opposition claims that this bill creates a special fund that does not meet the requirements of Section 37-52.3, HRS. The opposition sites that the special fund must 1) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries of the program; 2) provide an appropriate means of financing for the program or activity; and 3) demonstrate the capacity to be financially self-sustaining.

"In response to the opposition, many child victims of sexual abuse often end up self-medicating with drugs and alcohol. Which in turn causes many other crimes like burglary, theft, drug sales, etc. to support the drug habit that they now have due to the sexual abuse they endured as a child. Many of these children act out and end up on the wrong side of the law as adults and children due to this abuse. Clearly in this case, using criminal justice related fines to prevent child victims would have a direct nexus on preventing further crimes in the future and would absolutely be a reasonable use of fines for a special fund.

"Mr. Speaker and distinguished Members of this Body, this measure affirms our obligation to protecting Hawaii's children on all fronts. I urge everyone to please take careful consideration of this bill and to vote in support of SB 702. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 702, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHILD ABUSE," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 89-14 and H.B. No. 2611, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B. No. 2611, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE CAPITOL," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

At 2:22 o'clock p.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 2260, SD 2, HD 2, CD 1
S.B. No. 2057, SD 2, HD 1, CD 1
S.B. No. 702, SD 2, HD 2, CD 1
H.B. No. 2611, SD 2, CD 1

Conf. Com. Rep. No. 92-14 and H.B. No. 2427, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B. No. 2427, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE REPEAL OF NON-GENERAL FUNDS," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 93-14 and H.B. No. 1931, HD 1, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B. No. 1931, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 94-14 and H.B. No. 2147, HD 1, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B. No. 2147, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONCESSIONS," passed Final Reading by a vote of 49 ayes to 1 no, with Representative Thielen voting no, and with Representative Ito being excused.

Conf. Com. Rep. No. 97-14 and H.B. No. 2038, HD 1, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2038, HD 1, SD 2, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

"Thank you, Mr. Speaker. I stand in 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. 2038, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HUMAN TRAFFICKING," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 99-14 and S.B. No. 2346, SD 1, HD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 2346, SD 1, HD 2, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

"Thank you, Mr. Speaker, I'm rising in support, but with some very serious reservations. Thank you very much. There's testimony from six groups, Area Agencies on Aging, Policy Advisory Board for Elder Affairs, AARP Hawaii, Hawaii Alliance for Retired Americans, Hawaii Family Caregivers Coalition, and Project Dana.

"What these combined groups say is that they believe the Medicaid system has the means to address any gaps in service first. Any remaining services that fall outside of Medicaid coverage can be addressed through non-Kupuna Care funding sources, as recently demonstrated through Title III of the Older Americans Act. And then they conclude, 'Kupuna Care should be maintained as the signature safety net program for non-Medicaid seniors to keep them from impoverishing themselves and forcing them to rely on Medicaid for help. Indeed, since 1999, the intent of Kupuna Care has been to provide home and community based services to older adults who do not have access to any other services in order to delay institutionalization and prevent spend down to Medicaid.'

"So I think these are very serious issues, Mr. Speaker, and I have serious reservations about the measure. Thank you."

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

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

"Thank you, Mr. Speaker. In opposition. I agree with the previous speaker that these are very serious concerns, which is why I'll be voting 'no' and not 'with reservations.' Thank you, Mr. Speaker."

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

"Mr. Speaker, in support. Elderly prefer to live at home and not go into nursing homes. And this is true of people who are Medicaid eligible and not Medicaid eligible. This bill seeks to provide Kupuna Care to all people, whether they're Medicaid eligible or not. Because in part, even if you are, shall we say, well-off enough not to be Medicaid eligible, at the cost of \$11,000 a month or more, \$132,000 a year, even well-off seniors can easily, number one, become Medicaid eligible by spending down, and number two, frankly have a lesser quality of life, given that they will be without many of the services that Kupuna Care provides.

"Kupuna Care, right now, could perhaps be tweaked on this island, Oahu, so that we can get the federal match, which Medicaid provides. That might take a little while and cannot be done instantly this year. So that's one thing to work on.

"The second thing we can do is that we can consider how Title III money can best be used for everyone. Right now we have a fairly good system worked out on the neighbor islands, but unfortunately, as I said, on Oahu that still needs a little work.

"So, I think that this package provides full funding for all of the various parts that were originally in this bill, including the \$4.2 million for Kupuna Care.

"I think that we should bear in mind that while there were some opponents, as mentioned previously, there were also some supporters. Lanakila Meals on Wheels was a heavy supporter. Catholic Charities sent in a pile of petitions about this high. So it's not a one-sided issue. There were people on both sides of the issue, both very well respected providers of care to senior citizens who saw the issue differently. Thank you."

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

"Thank you Mr. Speaker. In strong support. First of all, I want to thank the Chair of Health and her counterpart on the Senate side, Senator Chun-Oakland, for crafting a bill which will provide *kupuna* services for all seniors. We did look at these various situations and we listened to some of the concerns of AARP.

"Unfortunately, the situation is this. On the three neighbor islands, the county provides some of the services for the Medicaid population, the county provides that. On Oahu, the City and County of Honolulu does not provide any grant to provide services for Medicaid population.

"What has been happening is that Office on Aging has now recently changed its policy so that the Medicaid population will not get the benefits of Kupuna Care funding. So in that situation, what we're going to have is people on Medicaid who will not get Meals on Wheels, who will not have any *kupuna* services. At the same time, someone who's bringing in \$50,000 in pension, will get the services.

"That is utterly unfair. I think it is our responsibility to take care of those *kupuna* who can't provide for themselves, who are on Medicaid, and unless Office on Aging and these people come together and find a viable solution, this is the right way to go. To provide services for all *kupuna*."

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

"Mr. Speaker, I rise with reservations. Mr. Speaker, Abe Lincoln said, and I think it summarizes what this bill does, 'You cannot strengthen the weak by weakening the strong.' And I think that's exactly what this bill is doing. It wants to put everybody into a Medicaid or a dependency upon the state rather than having them independent and having a share of what otherwise is now a lesser share because of this bill. So, Mr. Speaker we've got to keep who is old and vital and capable of maintaining themselves, and not put them and deplete their assets so they can go on another state program, whether it's federal or otherwise. For those reasons, I think Mr. Lincoln had this summarized properly. Thank you."

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

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

"Mr. Speaker, in strong support. If I may have the comments of the Representative from Kaimuki as well as the Finance Chair entered into the record as my own. Mr. Speaker, this particular bill was something that we struggled with. I think we all want to support *kupuna*. We also all want to keep them out of the nursing home facilities, where we know that's when the costs begin to increase. But what I would like to talk about and look at is how this problem came to be. It was by way of a rule interpretation, a policy interpretation, that a gap group of *kupuna* in the community are now being denied services.

"There are a couple of themes that I'm going to keep coming back to on a number of other bills that we're going to be talking about, but there's three themes here that resound with this particular bill. One, it's turning lemons into lemonade. Two, it's understanding the limitations of our legislative power. And three, at the end of the day, at the end of a session, there is always, always work to be done.

"Mr. Speaker, this bill turns lemons into lemonade. We provide a fix and we make it clear that Kupuna Care is for all of our elderly, without regard to Medicaid eligibility or eligibility for other Title III funds. We need to make that clear, because now there are over 500 or 1,000 possibly, *kupuna* who are being denied services. And that is unacceptable.

"Second, the limitations of our legislative power. We have to come back and address some of the concerns that were raised. We have to make Kupuna Care the payer of last resort. If there are other funds and funding streams to be used, then we need to change the Kupuna Care statute and make that clear.

"There's a fundamental misunderstanding about Medicaid that is occurring with this issue. We have to understand that not all Medicaid eligible Medicaid recipients actually can qualify for some of these other services, these home-based services, because it's not medically necessary. So within the Medicaid population, there's a wide range of people who qualify and don't qualify. And we simply cannot make the Kupuna Care hinging upon whether they are Medicaid eligible or not.

"So again, limitations of our legislative power are an important issue we've brought to our attention, and I believe that there is a commitment of this Legislature and the future legislatures to address this issue.

"And finally, as always, there is work to be done. We will continue to do the work to support *kupuna* in our community. I think this bill, with this funding mechanism, does that. So again, Mr. Speaker, in strong support and I hope that we can continue to work on this measure as we move forward. Than you."

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

"Mr. Speaker, speaking in support. I'd like to commend the Chairs of Finance and Health for crafting the measure that is before us. I'd also like to note that among the many agencies and organizations that are in support of this measure, are the State Executive Office on Aging, Lanakila Pacific, Catholic Charities, Kokua Kalihi Valley, Waikiki Health Center, Child and Family Service, and the Kauai County Agency on Elderly Affairs. Thank you, Mr. Speaker."

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

"Mr. Speaker, I rise in support of this measure. I would also like to acknowledge the Majority Policy Leader for his work on this measure. This legislation is a part of our joint Senate-House Majority package. And I just wanted to say that it really does take a lot of effort and work to craft measures with the Senate in advance of the legislative session and to prioritize them for the session. The policy leader has the best I think temperament and work ethic to do this, and I really want to thank him for his work.

"This is an important piece of legislation because it continues our commitment to seniors in the State of Hawaii. We want to maintain their quality of life and their dignity, and this bill will assist in accomplishing that goal. This legislation will appropriate over \$7 million to continue the Kupuna Care program, the Aging and Disability Resource Center, the Healthy Aging Partnership program, and a Long Term Care Education program through the Office on Aging.

"I know that there have been some concerns raised in the last few weeks, and I just want to say that it is unfortunate that the Legislature was put in a position to try to pick sides, that disagreement of interpretation of roles resulted basically in pitting seniors against seniors, and that is not a productive situation for all of us.

"This legislation will continue funding for another year, and I'm hoping that over the course of time, that this conflict or this challenge will be resolved.

"I'd also like to insert written comments and basically it consists of an opinion from the Attorney General that upholds this legislation. Thank you."

Representative Saiki submitted the following:



April 21, 2014

Senator Suzanne Chun Oakland
State Capitol, Room 226
Honolulu, Hawaii 96813

Dear Senator Chun Oakland:

This letter is in response to your request for a review and legal interpretation on the eligibility for Kupuna Care services in the Department of Health, Executive Office on Aging's (hereinafter referred to as "STATE") contract with the City and County of Honolulu (hereinafter referred to as "PROVIDER") to provide Kupuna Care services, Contract No. HON2014A02 ("Contract").

The issue, as we understand it, is whether an individual who is otherwise eligible for Kupuna Care services is prohibited from receiving any Kupuna Care services because the person is receiving services from a private entity or government entity such as Medicaid.

The Kupuna Care program is a State-funded, community based care program designed to provide home and community based services to the elderly so that they may remain in their homes and communities and live independently. Under the Contract, the PROVIDER (City and County of Honolulu) shall provide the following services to eligible older adults: Adult Day Care, Assisted Transportation, Attendant Care, Case Management, Homemaker Services, Kupuna Care Transportation, Personal Care, and Nutrition/Home-Delivered Meals.

We have reviewed the Contract and Kupuna Care Guidelines ("Guidelines"). Our analysis follows.

1. Scope of Services.

A. Eligibility Criteria for Kupuna Care Services.

The eligibility requirements for Kupuna Care services are set forth on page 1 of the Scope of Services, section 1. The Contract provides as follows:

Senator Suzanne Chun Oakland
 April 21, 2014
 Page 2 of 3

1. The Provider shall ensure that the PROVIDER and PROVIDER'S subcontractors serve older adults who meet the following KUPUNA CARE requirements:

- a. United States citizen or qualified alien;
- b. Sixty (60) years of age or older;
- c. Not covered by any comparable government or private home and community-based care services;
- d. Not residing in an institution, such as an Intermediate Care Facility ("ICF"), Skilled Nursing Facility ("SNF"), Adult Residential Care Home ("ARCH"), hospital, and/or foster family home; and
- e. Having a substantive cognitive impairment or other disability defined functionally as the older adult being unable to perform independently two (2) or more Activities of Daily Living ("ADL") or Instrumental Activities of Daily Living ("IADL"); and having an unmet need for assistance to complete one (1) or more ADLs, or one (1) or more IADLs as follows:
 - i. ADLs include eating, dressing, bathing, toileting, transferring in and out of bed or chair, and walking;
 - ii. IADLs include preparing meals, shopping, managing medication, managing money, using the telephone, doing housework, and using available transportation without assistance.

The Kupuna Care eligibility requirements set forth in the Contract are consistent with the Kupuna Care Guidelines ("Guidelines") dated April 29, 1999. Pursuant to the Memorandum from Marilyn Seely, former Director of EOA, dated April 29, 1999, the Guidelines provide "minimum policy guidance which must be followed." The Guidelines list eligibility criteria (page 9) which are similar to the eligibility requirements in the Contract, including the requirement that the individual is "[n]ot covered by any comparable government or private home and community-based services."

B. Interpretation of Section 1.c. "Not Covered by any Comparable Government or Private Home and Community-Based Care Services."

Among the Kupuna Care eligibility requirements in Section 1 is a requirement that the individual is "[n]ot covered by any comparable government or private home and community-based services." For contract interpretation, "it is fundamental that terms of a contract should be interpreted according to their plain, ordinary and accepted use in common speech, unless the contract indicates a different meaning." *Amfac, Inc. v. Waikiki Beachcomber Inv. Co.*, 74 Haw. 85, 108, 839 P.2d 10, 24, *reconsideration denied*, 74 Haw. 650, 843 P.2d 144 (1992) (citation and internal quotation marks omitted). "Comparable" is defined as "used to say two or more things are similar or can be compared to each other." *Merriam Webster Dictionary* (2014). A plain reading of this section indicates that if an individual was not covered by any comparable or similar government or private home and community-based services, then the individual would be eligible for Kupuna Care services. A comparison between the specific "comparable government or private home and community-based services" and the Kupuna Care services would need to be made to determine if the individual is eligible for Kupuna Care services. Government services may include Medicaid and Veterans benefits. Private services may include long-term care insurance services.

Senator Suzanne Chun Oakland
 April 21, 2014
 Page 3 of 3

Currently, Medicaid recipients eligible for "At Risk of Institutional Level of Care" services provided through the QUEST Expanded Access ("QExA") program may receive some or all of the following home and community based services depending on their assessed level of risk: Home Delivered Meals, Personal Emergency Response System ("PERS"), Personal Assistance (Level I and II), Adult Day Care, Adult Day Health, Skilled Nursing Services, and Transportation and Assisted Transportation (for medical appointments only). Personal Assistance Level I equates to the Kupuna Care services: Attendant Care and Homemaker. Medicaid's Personal Assistance Level II equates to the Kupuna Care service Personal Care. The "gap services" which are provided under the Kupuna Care Program and not provided under QExA are limited to Non-Medical Transportation, Non-Medical Assisted Transportation, and Case Management.

Thus, if an individual on Medicaid was not receiving a government home and community-based service comparable or similar to Kupuna Care services, e.g. Non-Medical Assisted Transportation, Non-Medical Transportation, and/or Case Management, under the plain reading of Section 1.c., that individual would be eligible for those Kupuna Care services under this Contract. Neither the Contract nor the Guidelines has any language to suggest a different meaning. Furthermore, upon review of the eligibility requirements and Guidelines, there is no language to support a conclusion that an individual who receives any kind of government or private services is not eligible for Kupuna Care services under this Contract. The individual would have to be already receiving similar or comparable government or private home and community based services to be ineligible for the Kupuna Care services.

2. Similarity to Other Kupuna Care Contracts with Counties.

In addition to the City and County of Honolulu Contract, the Executive Office on Aging has three other Kupuna Care services contracts with Hawaii County, Kauai County, and Maui County. Since the eligibility criteria are identical for all contracts, the same analysis would apply to all contracts.

If you have any further questions, please contact me at 587-3050.

Very truly yours,



Michelle E. Nakata
 Deputy Attorney General

Approved:



David M. Louie
 Attorney General

Representative Har rose, stating

"Mr. Speaker, thank you. I've been so moved by the speeches that were made by the Representatives from Makiki and Nuuanu, I'm going to withdraw my opposition and please note my reservations on the issue. Thank you, Mr. Speaker. Mr. Speaker, may I incorporate their speeches into the Journal as if they were my own. Thank you," and the Chair "so ordered." (By reference only.)

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2346, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGING," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 100-14 and S.B. No. 2542, SD 1, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 2542, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

"Mr. Speaker, in strong support of this measure. I'd like to thank the Housing Chair as well as the Finance Chair for moving this initiative forward. This is something that has been a long time coming. Hopefully this can helpfully address our affordable and low-income housing moving forward. Thank you, Mr. Speaker."

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

"Thank you. I wanted to also thank the Housing Chair for his vision. This is probably one of the most important bills that we're going to pass this session. In support, strong support."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2542, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE DISPOSITION OF THE CONVEYANCE TAX COLLECTIONS TO THE RENTAL HOUSING TRUST FUND," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 101-14 and S.B. No. 632, SD 2, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 632, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ENVIRONMENTAL COURTS," passed Final Reading by a vote of 45 ayes to 5 noes, with Representatives Fale, Hanohano, Har, McDermott and Tokioka voting no, and with Representative Ito being excused.

At 2:41 o'clock p.m., the Chair noted that the following bills passed Final Reading:

- H.B. No. 2427, HD 1, SD 1, CD 1
- H.B. No. 1931, HD 1, SD 2, CD 1
- H.B. No. 2147, HD 1, SD 2, CD 1
- H.B. No. 2038, HD 1, SD 2, CD 1
- S.B. No. 2346, SD 1, HD 2, CD 1
- S.B. No. 2542, SD 1, HD 1, CD 1
- S.B. No. 632, SD 2, HD 1, CD 1

Conf. Com. Rep. No. 102-14 and S.B. No. 2054, SD 3, HD 3, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 2054, SD 3, HD 3, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

"Thank you, Mr. Speaker. In support. Mr. Speaker, I would like to start by thanking the Chairs of Finance and Consumer Protection, and the

members of all of those committees who helped to move this bill forward. Mr. Speaker, this is another one of our lemons to lemonade. I think a lot of work was put into this, a lot of significant effort on behalf of advocates in our seats, as well as folks in the autism community in Hawaii. And even though we were not able to get the insurance mandate that we continue to push for, we do have an actuarial analysis. And I think that study is going to be important as we continue to move ahead and do the work that we need to do.

"It concerns me that during the course of the hearings, that we heard a lot about the coverage for autism services in the Medicaid arena. And it concerns me that we will in fact see lawsuits related to autism services, and that we're going to find that because of the early periodic screening diagnosis and treatment law, that we're going to be having to fund these services within the Medicaid population. So in that respect, this actuarial analysis will give us insight into what that potential cost may be.

"Mr. Speaker, as we move forward and as this study is presented to us, I continue to hope, and this bill for me is both a disappointment, but one of the greatest hopes of this session. That we will continue to work on this effort as we know that this is a growing epidemic. As we know and have learned that 1 in 68 children are being diagnosed with autism. As we know that this is afflicting in bigger numbers, boys over girls. And as we know that we are spending, minimally in the Department of Education, \$35 million a year on services for autistic children. And this doesn't even count other services that they receive, like speech therapy within the school system.

"This insurance mandate and what the actuarial study will be focusing on will demonstrate, I believe, as other studies have shown, that the shared cost of this treatment is something that we will and should adopt as we move forward. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. In strong support. Thank you. I'd just like the words of the previous speaker to be inserted as if they were my own. Thank you," and the Chair "so ordered." (By reference only.)

At 2:44 o'clock p.m., Representative Yamane requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 2:46 o'clock p.m.

Representative Saiki rose, stating:

"Mr. Speaker, I rise on a point of congratulations/information. On behalf of I'm sure all the Members, congratulations to our colleague from Kahaluu for just being confirmed as the new Director of the OEQC, and I'd just like to inform Members that she is able to continue voting until she is sworn in as the director. Thank you."

Representative Wooley rose, stating:

"Thank you, Mr. Speaker, I really appreciate it. I know we have a long day still and some things ahead of us, so I don't want to take too much time, but I do want to just express my gratitude to everybody. It's been such a pleasure, such a privilege to work with all of you, and I have really learned so much and I really appreciate everybody's commitment to public service and the public interest, and I just always feel that that is in the top of everybody's mind, and I thank you for that. And I will miss you all. *Aloha*. Let's continue."

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

"Mr. Speaker, in support. This bill recognizes that autism is a health medical issue and can be treated as such. Autism was once thought to be a learning disability. That, I think, is long passed. And with inclusion,

eventually, into the health insurance system, we will get both treatment and care for autism as a health medical problem. Thank you."

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

"Thank you, Mr. Speaker. In support. I will be brief, but I would like to adopt the words of all the previous speakers as if they were my own. But, you know Mr. Speaker, it's with disappointing support that I rise up, because this has turned into nothing but an actuarial study, but I believe an important one, because one of the issues that had stymied this Body in being able to move this forward has been the competing costs that have been thrown out. From different state agencies, from different groups, from different everybody. The numbers from 6 to 22 to 16 to 12, back-and-forth and back-and-forth.

"I know there's been concern that others should have been tasked with this actuarial study, but I support the position of the conference committee of having the insurance commissioner do it. And why do I support that Mr. Speaker? Because the insurance commissioner is very due diligent. He won't try to paint it. The study will not be perceived as something that perhaps the numbers are being done in such a way as to either support or disprove a position.

"The importance of this measure, Mr. Speaker, is to have the insurance commissioner do this actuarial study will give us hard numbers, numbers that were developed with a very strict eye and much scrutiny. And my hope is that we will have the political will to fund this. Not only to drive down the eventual long-term costs that are eating our healthcare system alive, but also to position ourselves to perhaps have this added through the ACA waiver process in 2016 as a mandated benefit. For that reason, Mr. Speaker, I stand in support, but however I am slightly disappointed. Thank you very much."

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

"Mr. Speaker, I rise in strong support for this bill. I am heartened by the compassion shown by the Chairs of both Health and CPC and their hard work on this bill, and I equally share their disappointment. I'm saddened by the disappointment of the families of those like Luke, who suffer from autism. I am saddened that they may lose a year of treatment because of this. But I am glad that we will have a clearer picture going forward and hopefully we will get this resolved. Thank you."

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

"Mr. Speaker, I rise in support with disappointment called 'with reservations.' Mr. Speaker, we have been very fond of using metaphorical ways of describing what we do here. We are a sausage making factory, we are a bakery with bread, and now we have lemonade stands. And Mr. Speaker, if I can add something to that lemonade stand. When you make lemonade out of lemons, you've got to put sugar in it. This bill is lemonade without any sugar, and if you've ever had lemonade without any sugar, it's almost like eating the lemon. And Mr. Speaker, if you're a baker and you have half a loaf, we say, half a loaf is better than nothing, this study is better than nothing. But, Mr. Speaker, this is a stale half a loaf, and doesn't even have any leavening in it.

"We've really not done what we should have done. This is a reality, 1 out of 62 people born are autistic, we have to face this. So if that's all we can do, hopefully next year we're going to put the metal to the pedal and really do something substantive for guys like Luke and those whose parents had such high hopes and such encouraging hope right into the last minute, the last day. Mr. Speaker, we don't want to poke their eye too soon, but at the same time if we lead people on and then suddenly pull the rug out from underneath them, that's really a letdown.

"So, Mr. Speaker, I think we have to do this study, but then progress to implement it to face this. This is a national phenomenon. Autism is a new reality in the biology of Americans, and somehow, we don't know what it is, but we've got to find out and we've got to start treating it, and this is a mini step with lemonade without any sugar in it. Thank you."

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

"Thank you, Mr. Speaker. In support. Although we didn't get what we wanted with this measure, I think we've come a long way. I think this is something that we have been visiting since I've been here in the last four years, and I'd like to thank the Health Chair for getting it this far. Currently, the federal plans cover these procedures and medical needs of these families. Under our ACA, in 2016, they will possibly be making it a mandate program. These are all things we must be cognizant of as we move down the road. So that's why I thank the chair for at least moving this forward, bringing it back to our attention for next year, and making sure we're in line with those procedures coming through on ACA.

"I'm very disappointed in our federal level. I'm glad that they took the stance to make it mandatory across their health plans, but not across the states. And I feel compassion for the families that have to go from state to state, to pick and pull down each one of those states to provide this service for their families. Unfortunately, this is not one of those years that that will happen in the state, but I think it's a great leap forward for individuals like Luke and the many families that came and visited our doors almost every single day, Mr. Speaker. So again, I'd like to thank the Health Chair for at least getting it this far. Thank you, Mr. Speaker."

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

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2054, SD 3, HD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 103-14 and S.B. No. 2866, SD 1, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 2866, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

"Thank you, Mr. Speaker. Strong support. Kauai has two hospitals in the HHSC system. They are in dire need of this funding. This is the second emergency appropriation needed to address Kauai's shortfall, and I am very, very thankful for that. However, I know that we cannot continue going down this road. If not for this appropriation though, employees would be looking at furloughs and perhaps layoffs. There is already discussion about closing down the clinic that I go to, and many other cost saving measures are seriously being looked at.

"I, along with many others, question the stability of our state hospitals. The message is loud and clear that we need more accountability and spending, and cannot continue to throw huge amounts of money without knowing how it's spent. More discussion will be needed to address the future of HHSC, but we must never forget that our state hospitals need to provide services to our most vulnerable population. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2866, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION TO THE HAWAII HEALTH SYSTEMS CORPORATION," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 104-14 and S.B. No. 2196, SD 2, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 2196, SD 2, HD 1, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

"Thank you, Mr. Speaker. In support with reservations. Just to be consistent, much of what I will say echoes what I've said in the past, so I'll keep it brief. I certainly understand the necessity for the levying of this fee, particularly as I have a district that may be actually impacted by a jet fuel spill, the extent of which we are still trying to ascertain, in the Red Hill section of my district. So I certainly understand the genesis for the fund, I also understand some of the good uses that it already goes to.

"My qualm though, is that it's still largely allocated to the General Fund, and I think even though it doesn't necessarily contribute a ton of money to all of our constituents cost of living and to their wallet, it still is a few cents per gallon, about 5.5 cents per gallon for each of our constituents when they fill up at the tank. I think it's a price that they've borne for a while, and it may be one that they are willing to continue to bear at the pump.

"But considering the long extension of this tax and the fact that it's not more significantly allocated to perpetuating our transition to renewable energies, I just wish that in the end this would have perhaps allocated more towards our transition to a renewable-based energy economy. Thank you."

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

"Thank you, Mr. Speaker. I rise in support with reservations. Many of my comments are similar to the speaker before me, but coming from a farming family, I certainly understand the need and the purpose for the Environmental Response, Energy and Food Security Tax. The original intent for the use of these funds were raised on a temporary one dollar increase in the Barrel Tax. It's commendable, needed, and something that I support for the benefit of our state.

"However, how the funds are allocated is something that I worry about. Of each of the \$1.05 collected, 5 cents goes to the Environmental Response Revolving Fund, 10 cents to the Energy Systems Development Special Fund, 15 cents to the Energy Security Special Fund, 15 cents to the Agricultural Development and Food Security Special Fund, and 60 cents, 57 percent, goes to the General Fund. If the Barrel Tax revenue is indeed needed to support these programs, then less of the money should go to the General Fund, and more for what it was originally intended for.

"We owe our hardworking residents, most of whom are struggling to have ends meet with the high cost of living, to be transparent and accountable with their money. If we're going to extend the sunset date, the funds should be going towards renewable energy and food sustainability. We can't continue to import 90 percent of our food and rely on oil. Mr. Speaker, thank you for allowing me to share my reservations."

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

"Mr. Speaker, I rise with reservations. This has three blows that it creates by its passage. First is the credibility that we in this Body will ever pass a temporary tax, as this was in the beginning and now we're kicking it down until 2030. When we say, well this tax is only for the purpose of doing such and such for such and such period of time, people are not going to believe us. That's first hit.

"Second hit is the credibility that we're going to use it for what we say it's for. You've heard my colleagues talk about, well actually, the majority of it, two-thirds of this Barrel Tax actually goes to the General Fund, it doesn't go to the environmental, educational and environmental cleanup and all those things that we said is why we've got to tax the people of Hawaii. That's hit number two.

"Hit number three is, it's in the wallet of the people that you and I represent, Mr. Speaker, it's going to suffer for this. So we number one, better use the money for what we intended for, and if it's supposed to expire in 2030, let us let it expire. Once we lose our credibility, our moral authority is evaporated. And once that's gone, we wonder why people don't vote. Half the people don't register and the other half don't, when they do register, come out to vote, because they don't believe what we say is what we actually are actually meaning. And this bill personifies that, Mr. Speaker.

"Let us do what we say, and say what we mean, and mean what we say. And this bill turns that on its head. So let's be more environmentally conscious, use the money for the environment, and let's, if it is a temporary tax, let it expire and let the people from our districts keep the money in their pockets. Thank you."

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

"Thank you, Mr. Speaker. In opposition. This measure will perpetuate a tax increase that increases the cost of transportation. It's not a drastic increase and I understand that, but I made a commitment to my constituents that I would oppose any attempts to increase transportation costs. My constituents already pay an above average amount on transportation costs, paying well over 60 cents per gallon in gas taxes, and people from Mililani use a lot more gas than some other places.

"Again, I know this is not a huge increase and it's not easy to be voting against something that would help the environment, but regardless, I'm voting no because for me this is a principle vote that shows my commitment to protect my constituents from further increases to their costs of living and further reductions in their quality of life. Thank you, Mr. Speaker."

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

"Mr. Speaker, in opposition. Mr. Speaker, when I arrived at the Capitol this morning, I headed up to my office, I forgot my keys. I had my dog with me, I had to bring him with me because my wife was unable to take care of him today. And one of the workers here at the State Capitol walked by, and because I didn't have Buddy, his name's Buddy, he's a five year old rescue from Humane Society. I called him over and told him to sit down and he came over and he sat down. And this gentlemen walked by, I couldn't tell, he obviously was a worker, probably a contractor brought in to work on something here at the Capitol, and he said to me, 'Wow, that's the smartest guy in the building.'

"Mr. Speaker, I think that's kind of reflective of the way people feel about this building and the way people feel about those who operate in the political arena. We have a reputation that needs to be repaired, Mr. Speaker, and every time we come over here and have people sit in the gallery, and they expect their elected officials, they expect their leaders to act with integrity, be honest, and for the sake of our own credibility. We made, we tell them something, this Legislature said this, that Legislature said that."

Representative Saiki rose to a point of order, stating:

"Mr. Speaker, can we focus on the bill before us? Thank you."

Representative Fale continued, stating:

"Yes, Mr. Speaker, I am focusing on the bill right before us. When we tell people that we are going to take their money for a certain amount of period, let that end. Let's not come back, because every time when they come up and visit us in our office, oh, it's going to sunset on this date, it's only going to be for this long. And then here we are, here we are, extends the Environmental Response, Energy and Food Security Tax, which clearly, 60 percent or 57 percent, almost two-thirds of it, don't even know to what we say it goes for.

"If I go to somebody and say, hey, we're going to take your money for Environmental Response, Energy and Food Security Tax, and then I take

60 percent of that and use it for something other than what I tell the people of Hawaii I'm going to use it for, Mr. Speaker, that's simple dishonesty. You can bend and try and shape it any way you want, but it's not being straightforward and it's not being honest.

"Mr. Speaker, this tax hurts the poorest and the most vulnerable in this state. The poorest and the most vulnerable. Those who can least afford to get in their vehicles and drive to work, those whose noses are barely above water, every single day, who struggle with the economy that's softening, with a downgrade to zero percent growth for this year, Mr. Speaker. We think we have issues with income? That is because the people of Hawaii are struggling. And to extend this for another 15 years, 15 years, Mr. Speaker. There are children who aren't even born today who we're going to have to figure out how to squeeze more money out of them. I have a problem with that. I have a big problem with that. I don't think it's right, Mr. Speaker, and I don't think it's right that we continue to hurt our reputation with the people.

"When the regular guy walks by and says that a dog is the smartest thing in this building, Mr. Speaker, we have a problem. That's an honest opinion from a regular person. That's how we're perceived, Mr. Speaker. That's something that we've got to fix here. Well at least the 51 of us have done a heck of a better job than those across the way, Mr. Speaker."

Representative Saiki rose to a point of order, stating:

"Mr. Speaker, same request, to please discuss the merits."

Representative Ward rose to a point of order, stating:

"Mr. Speaker, point of order. There's nothing in the House rules that say that this Body cannot be criticized by its membership. Please desist. Let him speak."

At 3:07 o'clock p.m., Representative Souki requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 3:10 o'clock p.m.

Representative Fale continued, stating:

"Thank you, Mr. Speaker. As we continue to look at this measure, again, it clearly states that this measure was supposed to sunset. And we're removing that sunset from June 30th, 2015, to June 30th, 2030. It re-establishes the Energy Systems Development Special Fund, and does some good things, Mr. Speaker. And it's pretty simple, if we're going to do a good thing, let's just be clear and honest with when something's going to sunset, when something's not going to sunset, and when we tell the people of Hawaii. And lets maybe at least develop a measure that isn't going to mostly affect the working class of the people of Hawaii, who are hurting just as much as anybody else, if not worse than people in here, Mr. Speaker. And it's very clear that we are here to try and help and assist those who are most vulnerable."

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

Representative Fale continued, stating:

"Mr. Speaker, I don't need to belabor the point anymore, I think it's pretty clear. I think this is a very bad measure, we're not being straightforward and honest with the people of Hawaii, which I think is something that they at minimum expect from their elected officials, Mr. Speaker. And for those reasons, I must be strongly opposed to this. Thank you."

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

"Thank you, Mr. Speaker. I rise in support. I look at this bill from a different view point. The people that are low-income and the working class people are really looking at the Legislature to try to really curb the cost of living in Hawaii, and one of the things I think we need to do is tackle the cost of energy.

"I think this particular bill is really trying to focus on that, as energy systems development. It's really trying to infuse research and development, and move us in the right direction. I also want to point out that we're at a turning point in Hawaii where what I see this is also is a job creation bill. The jobs are coming in Hawaii. I see it when I talk to people on the Big Island and they're hiring people to put in solar and photovoltaic. But I want to point out to my colleagues, when I think of solar and photovoltaic, people still have to afford it. So I'm still worried about the low-income and middle-income.

"I'd like to go on record that as this bill, if it advances and the Governor signs it into law, that we really tell the people that are administrating this fund to really focus on how are we going to get this renewable energy down to the low-income and the working class people that pay those monthly electricity bills, because it's too much, it's too much of a percentage of their income right now. We have to tackle this problem for them.

"The other thing I want to go on record is, I see the Natural Energy Institute is administrating this fund, and I would really like to see the Natural Energy Institute moved to the Big Island, because we have all the renewable energies on the Big Island, and I'd like to get them out of Oahu and have them come over there and plant themselves there. The other thing is, when they're spending this fund, to make sure that they're doing projects when they do this, they put projects out on each one of our islands and go out there and make things happen on each island and not just be on Oahu. So I wanted to go on record to say that. Thank you."

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

"Mr. Speaker, in support of this bill. I have to admit, I find the notion that somehow that I'm being, I was here in the Legislature when we voted originally on the Barrel Tax and I voted in favor of it. But everyone here knows that when you vote on something, that you have to vote on what's put in front of you. When you're in committee, you vote on what the chair puts in front of you, when you're on the Floor, you vote on what has been put in front of you by the process.

"If the vote had been, a few years ago when we had the Barrel Tax, to make it permanent to start with, I don't know what I would've done, that wasn't the choice before me. But I would say that it's disingenuous to say that, to call us all liars because we voted for a temporary tax increase, because that's what was on the Floor to vote on. What else are you going to vote on?

"So now we have a new decision point and we have to decide what we're going to do now. But to imply that the Members of the Body who were here when this bill was first passed are liars is just completely uncalled for."

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

"Mr. Speaker, in support. I was called a liar just a little bit ago, but I actually just got elected in 2012, so I'm part of the 27th Legislature. I'm not sure when this tax got established."

Representative Fukumoto rose to a point of order, stating:

"Point of order, Mr. Speaker. I don't think the speaker from Laie ever said 'liar'."

At 3:16 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 3:17 o'clock p.m.

Representative Ing continued, stating:

"Let me rescind that statement and let the Journal reflect what was said. I just wanted to make the point that I wasn't a Member of the Legislature when this bill was enacted, and I'm trying to think really hard when I did place any vote to establish the tax, and I didn't. So this is in front of me

now, I'm going to vote on the merits of this bill, and in terms of the public thinking whether it's a smart deal or not, that's our job to explain to the constituents. Thank you."

Representative Fale rose to respond, stating:

"Mr. Speaker, just in rebuttal to a couple of points that were made. There was a discussion about renewables going that, what this bill funded. And Mr. Speaker, we have a huge problem with the renewables that are going into our communities, like the windmills that are going into Kahuku. We need to reconsider our approach to this measure and what it is funding, and reassess even what we're doing with the funds that we currently have, because we're putting renewable energy and windmills into communities that don't want them there, Mr. Speaker. And that's something else that the bill funds and does, that I think we need to rethink.

"Also, when it comes to, I go back to the Department of Agriculture's inability to give an accounting for the money that we've given them. I've asked them on multiple occasions last year and this year as well, how much more sustainable, how much more independent are we in regards to food and food sustainability here in the State of Hawaii. We've given them millions of dollars. And I've asked for a simple accounting. How have you spent that money, and how has that achieved the objectives that the Legislature gave you? And there has been no response, Mr. Speaker.

"And I find that problematic, when I can't even go and justify to my community the millions of dollars that have been spent with the stated purpose of this measure. So until the greater accountability, until greater accountability has been given of the millions of dollars are we have had, and that we're actually consulting with the communities that these renewable energy projects are going into, we need to rethink a lot of this, Mr. Speaker. And so for those reasons, I continue to be opposed."

Representative Fukumoto rose to respond, stating:

"Thank you, Mr. Speaker. Just briefly in rebuttal to a previous statement made. I think if this bill is meant to lower electricity and create green jobs and actually reduce the cost of living, as others have said that it is, then we should be sending at least the majority of those funds to those programs instead of to the General Fund. Thank you."

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

"Thank you, Mr. Speaker. In opposition. I certainly appreciate the wonderful intentions behind this bill, and all the good things that we're trying to do with it. But it's a little difficult to explain to our constituents why we're extending this on a gallon of gas, on and on.

"As my good friend the Judiciary Chair, I'm surprised he didn't point it out as he has on many occasions which is one of the reasons I haven't spoken, is that a previous Legislature cannot bind a future Legislature by their actions.

"That said, it is difficult for us to explain this tax to our constituents in a 30 second elevator speech, if you will. It's a very complex issue, and I know that the good friend from Lanikai is working on a myriad of things trying to get us energy independent. But if we could just somehow give the little guy a break, I think that would be a good thing. And maybe a couple pennies on a gallon of gas might make a difference. Thank you."

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

"Thank you. In strong support. This debate isn't about what a previous Legislature did, what this fund was supposed to do, it's about what it has done, what it is doing right now and what it's going to do, because that's the decision that's before us today.

"There are a couple of things I'd like to highlight. In addition to the funding that goes to the General Fund to pay for our schools, and our roads, and our CIP projects, and everything else, which there is a separate argument for, I want to talk about just some of the things that this directly funds. The Hawaii Natural Energy Institute Special Fund, which is

something that this bill will perpetuate. Over the last three years, that special fund has received \$7 million in Barrel Tax funding to develop things like smart meters to modernize our electric grid, new types of PV inverters to allow more families to save money by installing solar on their homes. Different sorts of technologies surrounding geothermal, hydrogen and wave projects.

"The \$7 million that was put into that fund and used for those projects, was able to leverage \$12 million in federal funding, creating local jobs for Hawaii research projects right here in the islands. In addition to that, the DBEDT Energy Office has been a receiver of these funds, and its operating budget is based off of Barrel Tax money. It's responsible for ensuring that we fulfill and live up to our renewable portfolio standards, which we hold our utilities and our future to.

"Meeting those standards has saved ratepayers significant money, and it doesn't matter whether you live on this island or another, whether you have a big electric bill or small one. You're saving money because our utilities are transforming and meeting our RPS goals that our Energy Office has helped pursue. And that's particularly sensitive for those people who are still on the grid, who could not take advantage of solar, getting off the grid. The folks who are left there have no recourse but to continue paying electric bills which are dictated by our utility, by our renewable portfolio standards, and the pressure that we as government placed into that transition to a cheaper renewable future.

"But all of that is in serious jeopardy if this office ultimately loses funding. And I want to quote DBEDT noting that, 'achieving our 2020 and 2030 clean energy goals will require continued and more intensive effort, innovation, and resources. The impending sunset of the barrel tax at the end of FY 2015 leaves uncertainty in funding for many of our State's clean energy and food security initiatives and may put the achievement of our State's long-term goals of energy and food self-sufficiency at risk.'

"In addition to that, we've been in receipt of tens of millions of dollars of US Department of Energy grants and funding, which is given to us based on our strong commitment, putting our money where our mouth is and meeting these goals.

"The Environmental Response Revolving Fund is another critical tool which is funded through the Barrel Tax, and must be replenished. Right now, that funding is helping with our efforts to clean up and deal with the 200,000 gallons of molasses which was spilled recently into Honolulu Harbor, as well as make sure that there's continued vigilance, and emergency response should there be another incident.

"The 27,000 gallons of fuel, which is now leaking into our water table under Red Hill, that's going to take continued monitoring and additional steps by the Department of Health, yet to be determined, which are funded out of this fund.

"In addition, leaving this fund unfunded would ultimately jeopardize more than \$4 million in federal funds that will ultimately help mitigate these disasters, which might otherwise be going to another state. And I can't stress enough how important it is, because we don't know what the next disaster is going to be that we're going to have to deal with. And we have to be prepared, and we have to be ready, and we have to have money set aside to do that.

"So even if we ignore all the good that comes from the technological innovation at HNEL, the environmental disaster cleanup and mitigation which is funded by this, the local jobs created because of a new clean energy industry, our reduced reliance on imported food and fuel, to say nothing of our support for local farmers through the Department of Agriculture, and the countless millions in federal dollars this fund has ultimately leveraged and brought into Hawaii.

"Even if we ignore all that, and the funding that goes to the General Fund that pays for our schools, roads, CIP projects, and everything else, we should still be supporting this bill, because of this one point. The Public Utilities Commission noted that, and I quote, 'the increased use of renewable generation resources in Hawaii's utility systems is currently effectively reducing costs paid by utility customers.'

"Looking back in 2012, Hawaii took in \$27.3 million in Barrel Tax funding. That means, ultimately, that was the price levied on the incoming fuel, which everyone else has talked about in previous speeches. Yet, at the same time in the same year, consumers saved \$66.8 million from renewable power generation, replacing fossil fuel energy sources, because we met our RPS standards being implemented through some of the work that this bill funds. That's a \$40 million savings to consumers across the state, to households and families who pay electric bills. That's roughly \$100 for every household."

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

Representative Lee continued, stating:

"Thank you, and I'll be fast. Long story short, on this one point alone, the money consumers save ultimately pencils out for local families, and there's no question about that. And I'd like to reference the PUC's 2014 Review of Hawaii's Renewable Portfolio Standards issued pursuant to HRS Section 269-95, this past December. Thank you.

"I'd just like to finish by saying, we can tell the public whatever we want. The decision is now, looking forward, on whether or not we extend this for an additional period of time. If we don't, if we choose not to, all I ask is that we then tell the public what it is they're going to lose. That's the story that needs to be told. Thank you, very much."

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

"Mr. Speaker, I wasn't compelled to speak, but I think I would like to, if you don't mind. In support. I might have slight reservations on some of the comments I make, but I'll say 'in support'.

"I do have some issues with it being extended to 2030, which is another 16 years. I wasn't here when this originally was voted, but it looked like it was only for five years. You see, these types of measures help the individuals who live and work within a three mile radius, because they don't pay a lot of fuel tax. These measures don't help individuals like me, who live 35 miles away, twice a day. I'll pay more into the fund than somebody who lives and works in the same place.

"I'm somebody that my electric bill is only \$60. Why? I turn off my water heater. Oh, no, I had a solar hot water heater for 25 years until it died. And it wasn't economically viable for me to replace my solar heater, because I learned to conserve. I don't watch TV at home, I don't have air conditioning at my house, I only burn lights when I'm home. So, \$60.

"So I'm going to pay more into this fund because I believe that we should be on more renewable fuels. I believe in food sustainability, and shame on us for not being there. But I also look at this fund as a department that doesn't have to come in here and beg and plead every single year for funding for their department. They have an automatic source of revenue coming straight to what they need for the next 16 years.

"Mr. Speaker, I wish we could do that for every one of our departments, but we can't. I am very uncomfortable with taking it out to 16 years, but that's what this measure says. And I am supportive of what it does. Hopefully the money remains there, and hopefully we can accomplish what we want to accomplish in 2030 and 2020. But for somebody like me, I'm going to pay more, as well as my many constituents who live farther than where they work. And they don't understand those.

"And the Representative from Laie, that's what he was explaining, Mr. Speaker. Because you see, we live far. We live in the country and work in town, like many of our constituents. And when they go to the gas pump, just like I did last night when I went to the one on Dillingham and it said \$4.29 and I decided to wait until I got home when it said \$4.18, and I was still upset. But that's how families, including me, make choices.

"So when we talk about 5 cents, it might sound minute here, but when you add up those 5 cents, it means dinner for their child or a field trip for their child or the deposit towards rent or a home. That's what this measure

really means. So how do we balance it for everybody? That's the question here. Thank you, Mr. Speaker."

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2196, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ENERGY," passed Final Reading by a vote of 38 ayes to 12 noes, with Representatives Aquino, Awana, Cullen, Fale, Fukumoto, Hanohano, Har, Hashem, Kawakami, McDermott, Tokioka and Yamane voting no, and with Representative Ito being excused.

Conf. Com. Rep. No. 105-14 and S.B. No. 3099, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 3099, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYMENT," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 106-14 and S.B. No. 2365, SD 2, HD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2365, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE CLAIMS," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 109-14 and H.B. No. 2413, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B. No. 2413, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LABOR," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

At 3:32 o'clock p.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 2054, SD 3, HD 3, CD 1
S.B. No. 2866, SD 1, HD 1, CD 1
S.B. No. 2196, SD 2, HD 1, CD 1
S.B. No. 3099, SD 1, HD 1, CD 1
S.B. No. 2365, SD 2, HD 2, CD 1
H.B. No. 2413, HD 1, SD 1, CD 1

At 3:32 o'clock p.m., Representative Saiki requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 3:44 o'clock p.m.

Conf. Com. Rep. No. 111-14 and H.B. No. 2464, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B. No. 2464, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TAX CREDITS," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 113-14 and H.B. No. 1993, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1993, SD 2, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

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

Representative Kawakami's written remarks are as follows:

"Mr. Speaker, in strong support and I would like to thank the Committee Chairs and members at both Chambers for their hard work to make this bill that provides a shield of protection for our *keiki* a reality. I would also like to thank our Prosecuting Attorney from Kauai, Justin Kollar, and a constituent, Bethany Compton, for their role in bringing this issue to our attention. Their partnership in this matter has made the passage of this bill possible.

"Mr. Speaker, no child should be subject to the harsh violence of domestic violence. Our precious, innocent *keiki* is Hawaii's number one resource and should be protected as such. This measure will ensure the protection of our children and provide consequences to those who violate that sacred trust. Thank you, Mr. Speaker."

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

Representative Carroll's written remarks are as follows:

"Thank you, Mr. Speaker. Mr. Speaker, I am in support of HB 1993, which makes the commission of an act of physical abuse in the presence of a family or household member who is a minor under the age of 14 a class C felony. This measure also requires a police officer to make a reasonable inquiry of the family or household member upon whom the officer believes that physical abuse has been inflicted and to order a person to leave the premises for a period of separation of 48 hours.

"Research shows that children who are exposed to domestic violence are more likely to experience difficulties in school and score lower on assessments of verbal, motor, and cognitive skills. Males exposed to domestic violence as children are more likely to engage in domestic violence as adults; similarly, females are more likely to be victims. Exposure to domestic violence is also one of the several adverse childhood experiences that have been shown to contribute to premature death, as well as contributing to the risk factors for many of the most common causes of death in the United States.

"Currently, many U.S. states require higher penalties for committing domestic violence in the presence of a child, or consider it a separate offense that can be charged in addition or in the alternative. Studies have shown that children who witness domestic violence can suffer severe emotional and developmental difficulties that are similar to those of children who are victims of direct abuse. Approximately 23 states, and Puerto Rico, currently have statutes addressing the issue of children who witness domestic violence in the home. Approximately 18 of those states have statutes that impose additional penalties on offenders who commit domestic abuse in the presence of a child.

"Children are often the silent victims in instances of domestic violence and family abuse; they are terrified by violence in the home as the abusive violence shatters their sense of safety and well-being. We now have the scientific evidence and reliable studies that clearly prove the negative impact witnessing domestic violence has on children's brain development as well as their emotional and psychological health. Batterers need to be held accountable for the impact of their crimes on all the victims of family abuse, including the children.

"Mr. Speaker and distinguished Members of this Body, I urge everyone to please take careful consideration of this bill and to vote yes on HB 1993. 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. 1993, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DOMESTIC VIOLENCE," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 116-14 and H.B. No. 238, HD 1, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B. No. 238, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT

RELATING TO WITNESSES," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 117-14 and H.B. No. 1288, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B. No. 1288, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ORDER OF SUCCESSION," passed Final Reading by a vote of 47 ayes to 3 noes, with Representatives Fale, Fukumoto and Har voting no, and with Representative Ito being excused.

Conf. Com. Rep. No. 119-14 and H.B. No. 2246, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B. No. 2246, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MENTAL HEALTH," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 120-14 and H.B. No. 1712, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B. No. 1712, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE BONDS," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

At 3:46 o'clock p.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 2464, HD 1, SD 1, CD 1
 H.B. No. 1993, SD 2, CD 1
 H.B. No. 238, HD 1, SD 2, CD 1
 H.B. No. 1288, HD 1, SD 1, CD 1
 H.B. No. 2246, HD 1, SD 1, CD 1
 H.B. No. 1712, SD 1, CD 1

Conf. Com. Rep. No. 121-14 and H.B. No. 1514, HD 1, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1514, HD 1, SD 2, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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:

"Thank you, Mr. Speaker. I am in strong support of this bill. This bill is a big step in the right direction towards helping coffee farmers on the Big Island control the coffee berry borer beetle pest. I worked closely with industry stakeholders and the Department of Agriculture to develop a plan to get aid directly to farmers, and to encourage more involvement from the administration in these efforts.

"This bill does that by establishing a pesticide subsidy program under the Department of Agriculture for five years. Farmers who engage in pest control efforts will be able to apply directly to the state for financial reimbursement to help defray some of the costs involved. Partial subsidy programs like this one have been effective in other coffee-growing regions of the world. They provide an incentive to farmers to adapt to new farming practices and have helped to reduce the levels of infestation of this pest. Though we still have a long way to go, I am thankful for this support from the State Legislature in passing this bill and helping our struggling coffee industry."

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

Representative Ing's written remarks are as follows:

"The Vice Chair of Water & Land has done a phenomenal job doing her homework and putting together a bill that addresses an important need and will benefit both local farmers and small business. She has once again delivered an excellent bill. She is the real deal."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1514, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 122-14 and H.B. No. 2179, HD 1, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2179, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

"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. 2179, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LOWER HAMAKUA DITCH," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 123-14 and H.B. No. 1702, HD 2, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1702, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

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

Representative Oshiro's written remarks are as follows:

"Mr. Speaker, I speak against this bill.

"This is a bad bill. You don't have to take my word for it. Just read what the Department of Taxation (DOTAX) submitted on the record.

"This is what DOTAX submitted to the Senate Committee on Ways and Means (WAM) on March 25, 2014:

"Because of the complexity of the credit and the tendency by eligible taxpayers to inflate the credit claim, the Department has been forced to divert considerable resources and personnel to validate claims for the credit. Validation of the tax credit claim requires extensive review of voluminous and technical information. Disputes over the credit are not easily resolved and will often times involve lengthy appeals. The Department of Taxation testified that it does not have sufficient personnel and resources to insure that claims for the credit are valid making the administration and enforcement of this credit very difficult. . .

"The purpose of IRC § 704 is to insure that tax consequences follow the economics of a transaction. IRC § 704 is premised on the concept that a partner will insure that his partnership interests follow his economic investment in that partnership, and as such, any tax consequences should also follow the economic interests. For example, if a partner has made an investment equal to ten percent of the total capital of the partnership, one would generally expect that partner to have a share of ten percent of the profits and losses of the partnership. It would also follow that such a partner would receive a share of ten percent of any tax credits generated by the partnership. . .

"However, if this measure becomes law, it would allow, for example, any taxpayer that may have only \$10 invested in a partnership to claim 100% of the tax credits generated by such partnership. Prospective partners would be motivated not by whether or not they perceive the business in which they are investing has merit, but solely by the amount of tax credits and other benefits they can expect to receive from such investments. . .

"It should also be noted that several courts have agreed with the IRS in litigation involving partnership allocations of state credits where the allocations are not based on the partner's interest in the partnership, holding that such transactions should be reclassified as a sale of the tax credits by the partnership. This is because: (1) a partner would not have invested money in the partnership but for the transfer of the tax credits to the partner; and (2) the transfer of tax credits is not dependent on the entrepreneurial risks of partnership operations. [See, e.g. Virginia Historic Tax Credit Fund 2001 LP v. Commissioner, 639 F.3d 129 (4th Cir. 2011); Historic Boardwalk Hall, LLC, 694 F.3d 425 (3d Cir. 2012).] There can be no assurance that the desired outcome will be achieved in this case using allocations which are not consistent with the partner's interest in the partnership."

"If you don't want to consider DOTAX's testimony, then how about the Department of Transportation (DOT)? DOT submitted the following to WAM that same day:

"The bill's stated purpose is to help tenants displaced by the container terminal project in raising capital to make improvements on state-owned property upon relocation. A qualified infrastructure tenant is one whose principal business is ship repair, maritime and water front dependent.

"Only one tenant meets the criteria to benefit from this bill. This tenant presently occupies state property under a month to month permit which can be cancelled upon thirty (30) days written notice by either party. The tenant has had several years of advance notice of the department's redevelopment plans.

"The Department of Taxation has submitted detailed testimony in prior hearings on its concerns regarding this bill. The Department of the Attorney General has also warned that the bill could be subject to legal challenge on the basis that it may be in violation of the Equal Protection Clause. **In view of such concerns, the committee should carefully consider whether this flawed bill to provide benefits to a single entity at the expense of Hawaii's taxpayers is in the public's best interests.**" [Emphasis added.]

"Is it truly sound public policy to provide open-ended benefits to a single entity at their expense of Hawaii's taxpayers?"

"And what is truly disappointing is that this will be the only tax credit measure that we will approve this year. And, while I have a general concern of any business oriented tax credit, for the loss in revenue that this bill will result, we could have funded other measures to help our citizens or support various sectors of our economy:

- House Bill No. 1298, which would have provided a taxpayer who hires an individual with a disability with a nonrefundable income tax credit at 50% of qualified wages for the 6-month period for which the individual is initially hired by the taxpayer.
- House Bill No. 1719, which would have reduced a taxpayer's income tax liability if their federal adjusted gross income falls below federal poverty guidelines.
- House Bill No. 1805, which would have increased the refundable food/excise tax credit.
- House Bill No. 1807, which would have established a refundable state Earned Income Tax Credit.

- House Bill No. 1808, which would have provided a credit for low-income renters to adjust for inflation.
- House Bill No. 2026, which would have established a stimulus tax credit for Hawaii residents to stimulate economic growth and improvement.
- House Bill No. 2060, which would have established a renewable fuels production income tax credit.
- House Bill No. 2088, which would have established an income tax credit for qualified media infrastructure projects.

"So instead of providing broad support through our tax laws to benefit the general public, we choose to give an open-ended tax credit to a single business entity that is displaced by the Kapalama Container Terminal project. A project that tenants knew about for decades and received the benefit of low rent pursuant to month-to-month leases.

"Is this fair? Is this reasonable? Why should that single business receive this benefit? According to the Department of Taxation, the projected loss to the public coffers is about \$2.5 million a year or \$12.5 million over five years.

"And what about this single business? What else has it received from this Legislature?"

"Taking a look at House Bill No. 1700, Conference Draft 1, the State Budget which we just approved a few minutes ago, I see that there were two appropriations authorized for a FOR-PROFIT entity – Navatek. This is the same business that would receive the tax benefit authorized under this bill. Let's see what Navatek already got in the budget:

- \$556,775 to design and construct two enforcement craft for the Department of Land and Natural Resources (DLNR), even though Navatek already has numerous designs of boats already for sale that were specifically geared for Hawaiian waters.
- \$450,000 to survey 'high risk' zones in the South Oahu Recreational Area to identify where current legislation, rules and regulations are adequate to protect the safety of users and minimize the legal liability to the state. Shouldn't a state agency like DLNR be doing this already instead of GIVING nearly half a million dollars to a for-profit business to do so?

"These two grants alone add up to almost \$1 million, or one-tenth of all of the grant-in-aid appropriations authorized in the budget bill.

"It is my hope that should this bill be approved, the Governor veto it because this is just WRONG. This bill and the grant-in-aid to Navatek takes 'special interest' to a whole new level.

"For these reasons, I respectfully urge my colleagues to oppose this measure."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1702, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE CAPITAL INFRASTRUCTURE TAX CREDIT," passed Final Reading by a vote of 46 ayes to 4 noes, with Representatives Choy, Jordan, McKelvey and Oshiro voting no, and with Representative Ito being excused.

Conf. Com. Rep. No. 127-14 and H.B. No. 2224, HD 2, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2224, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

Representative Carroll's written remarks are as follows:

"Thank you, Mr. Speaker. Mr. Speaker, I am writing in support of HB 2224, Relating to Group Homes. The purpose of this measure is to help residents and prospective residents of clean and sober group homes to access a stable, alcohol- and drug-free, home-like living environment in residences that comply with federal, state, and county requirements and minimum quality standards by: Establishing a voluntary clean and sober homes registry within the Department of Health to assist persons recovering from substance abuse; Amending the relevant statutes on county zoning to delete redundant or obsolete language and to comply with the federal Fair Housing Amendments Act; and Appropriating funds for Fiscal Year 2014-2015 for staffing and operating costs to plan, establish, and operate the registry of clean and sober homes.

"Clean and sober homes and halfway houses, which are located in communities throughout the state, providing housing for individuals suffering from substance abuse, including people who may have co-occurring mental health issues, as they transition from the treatment setting to life in the community. The clean and sober homes and halfway houses task force explored ways to develop a plan to ensure that these homes are properly monitored and accountable to meet occupancy, zoning, and permitting requirements, as well as quality standards.

"These clean and sober homes allow individuals to return to the community through support in an alcohol- and drug-free, home-like environment, without the rigid structure of a therapeutic living program, which requires being licensed by the state. Notwithstanding the needs of those who benefit from these homes, neighboring residents have expressed concerns over the legality of the operation of clean and sober homes in their immediate vicinity and the poor conduct and lack of neighborly behavior of some residents of the clean and sober homes. While the state's only halfway house is monitored by the agencies that contract for its services, the level of oversight for clean and sober homes varies, depending on the referral source.

"Currently, various types of group homes are defined in Section 46-4(f), Hawaii Revised Statutes, relating to county zoning. Section 46-4(f), Hawaii Revised Statutes, defines terms that are either no longer needed or are defined elsewhere in the Hawaii Revised Statutes. In addition, inconsistent with the federal Fair Housing Amendments Act, Section 46-4(e), Hawaii Revised Statutes, requires that a public informational meeting be held in the affected community before a halfway house, a clean and sober home, or a drug rehabilitation home is located in that community. As recommended by the clean and sober homes and halfway houses task force, this Act will balance the needs of those requiring the support of the group homes and the concerns of community members.

"Mr. Speaker and distinguished Members of this Body, this measure seeks to help recovering individuals return to society while ensuring the protection of their surrounding community and its members. I urge everyone to please take careful consideration of this bill and to vote in support of HB 2224. Thank you."

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

"Mr. Speaker, in support, a few comments. First of all, I'd like to thank the Clean and Sober Task Force that has been working on this measure for over two years. I think they put a lot of heart and soul into this measure. I'd also like to thank the Finance Chair and the Health Chair as well as the Human Service Chair for moving this along this past session. I really appreciate it. Thank you very much."

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

"Thank you, Mr. Speaker. In support. And may I also thank the Representative from the Waianae Coast for her hard work in making sure that this very important bill made its way through the legislative process. Thank you."

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2224, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO GROUP HOMES," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 128-14 and H.B. No. 2581, HD 3, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2581, HD 3, SD 2, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

"Mr. Speaker, in support, and if I could reserve some verbal remarks when we take up the Health Connector Bill at the end of this calendar. 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. 2581, HD 3, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," passed Final Reading by a vote of 49 ayes to 1 no, with Representative Har voting no, and with Representative Ito being excused.

Conf. Com. Rep. No. 129-14 and H.B. No. 849, HD 2, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 849, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

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

Representative McKelvey 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 an aye vote with reservations for him, and the Chair "so ordered."

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

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

"Thank you, Mr. Speaker. Just a few comments. I'd just like to make note that I'm glad that the conference committee had made the adjustments with regards to providing 60 days instead of 90 to the Governor, as well as providing protections for lawful gun owners. In support."

Representative Kawakami 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. 849, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EMERGENCY MANAGEMENT," passed Final Reading by a vote of 48 ayes to 2 noes, with Representatives Fukumoto and Oshiro voting no, and with Representative Ito being excused.

Conf. Com. Rep. No. 130-14 and H.B. No. 2363, HD 2, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B. No. 2363, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SAFETY," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

At 3:53 o'clock p.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 1514, HD 1, SD 2, CD 1
 H.B. No. 2179, HD 1, SD 1, CD 1
 H.B. No. 1702, HD 2, SD 2, CD 1
 H.B. No. 2224, HD 2, SD 2, CD 1
 H.B. No. 2581, HD 3, SD 2, CD 1
 H.B. No. 849, HD 2, SD 2, CD 1
 H.B. No. 2363, HD 2, SD 2, CD 1

Conf. Com. Rep. No. 135-14 and S.B. No. 2478, HD 2, CD 1:

Representative Saiki moved that the report of the Committee and S.B. No. 2478, HD 2, CD 1, be recommitted to the Committee on Conference, seconded by Representative Cabanilla.

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

"First of all, let me go and disclose a potential conflict of interest. I'm a firm believer in the effectiveness of chiropractic care and treatment. I'm a current beneficiary of such care and treatment under my health insurance policy and plans. Thank you very much," and the Chair ruled, "no conflict."

Representative Oshiro continued to speak in opposition to the motion, stating:

"Thank you, Mr. Speaker. This is in opposition to the recommittal motion. I think this motion here is more than just interesting, but it speaks a lot to the process of our conference committees and the decision of the respective committee chairs and the deliberations on this measure. This is not a measure that's new to this Body. It's been around for several years, in fact, some would say over a decade, regarding the scope of practice in the statute and the actual practitioners of the members of the Hawaii Chiropractic Association.

"My understanding of this measure was just to square up the actual educational requirements, credentials, through this various schools accredited throughout the land for our chiropractors, and this was just to make some clarification in the current law, and to square it with the actual practice we have in Hawaii today. I've heard from some people that this is a scope of practice problem, but I don't see it. I think both the Consumer Protection Committee and the Committee on Health did a very good job and diligently reviewed all of those concerns, both in the House draft that went over, as well as the Senate draft that came over and went back, and finally, in the agreement that we reached in conference on the Conference Draft 1. So I don't see any concern with it.

"The concern I have is, why are we even looking at this measure right now? And I think that's where I need to object to it. It's for those reasons, Mr. Speaker, that I really strenuously object to this motion to recommit this bill. Thank you."

At this time, the Chair stated:

"If I can just remind the Members, the previous speaker was on point. When you focus your comments, it's on the motion to recommit. Why is this bill not ripe, not ready to go, or why is this bill good and ready and should pass and not be recommitted. Those are the points, that's the point, the motion on recommittal."

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

"In opposition to the recommittal, Mr. Speaker. I sat on the Health Committee which heard this measure. I sat on the Conference Committee which heard this measure. I don't understand why it's going to be recommitted at this point in time. This measure has been floating around here for 10 plus years. This is something that the industry was requesting to have brought up to national standards. Everybody says we're lagging behind standards here in the 50th state.

"I don't see what was the problem with this. There was really truly no major opposition to this, until someone spoke yesterday in our caucus. Mr. Speaker, I see nothing wrong with this measure. I'm looking at 32 pieces of submitted testimony to our CPC hearing, most of them in support, Mr. Speaker. So I'm baffled why we are considering reconsidering this measure. Thank you very much."

At this time, the Chair stated:

"Before we continue, may I kindly remind our Members that to speak with sinister intent towards any other Member in this Body is just unacceptable and unreasonable. With that said, let's continue the discussion."

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

"Thank you, Mr. Speaker. I'm in opposition to the recommittal. Mr. Speaker, I think this bill is actually very ripe. In fact, I met with one of the proponents and he explained to me that the reason this is needed is they can't get paid on some of their insurance claims, because of the way that their profession is defined currently in statute. So, it's an economic issue for them. So that is why I think it's imperative that we address this this year. Thank you."

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

"In support of the recommittal, Mr. Speaker. Let me just say that I was in caucus yesterday, and I witnessed a lot of the Members that had last minute concerns about this bill, and I think it's proper to recommit this bill. This is not a measure that needs immediate and urgent passage. We can continue to look at this bill, and probably we can appease some of the Members with their concerns.

"The concerns of the Members is of matter to this Body. This is a democratic process, Mr. Speaker. If the Members have concerns about it, we need to listen to them. So I support the recommittal."

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

"Thank you, Mr. Speaker. In opposition to the recommittal. Thank you, Mr. Speaker. What this bill does is it allows our doctors of chiropractic to practice with the most up-to-date knowledge as taught by the US Department of Education accredited chiropractic colleges. It's just at this point, recommitting this bill in the eleventh hour insinuates that we're allowing medical turf battles to essentially pigeonhole an entire profession.

"And for those reasons, Mr. Speaker, and the many reasons that have been discussed in opposition, I remain in opposition to the recommittal. Thank you."

At 4:00 o'clock p.m., Representative Awana requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 4:01 o'clock p.m.

At this time, Representative Souki called for the previous question.

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

The motion was put to vote by the Chair and carried, and the report of the Committee and S.B. No. 2478, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," were recommitted to the Committee on Conference, with Representatives Har, Jordan, McDermott, Oshiro and Takai voting no, and with Representative Ito being excused.

Conf. Com. Rep. No. 131-14 and S.B. No. 2246, SD 2, HD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 2246, SD 2, HD 2, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

"Mr. Speaker, as I did on earlier readings, I ask to be recused from this vote because a personal friend of mine is one of the plaintiffs. Thank you very much."

The Chair addressed Representative Rhoads, stating:

"Yes, we have excused you before, so you are recused from voting on this measure. Thank you very much, Representative."

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

"Thank you, Mr. Speaker. If I can have a request to recuse myself from this particular vote. In the waning days of the Legislative session, an appropriation in this claims bill was added, which is a case with my law firm on which I had direct contact on the matter. Thank you."

The Chair addressed Representative Belatti, stating:

"You will be recused from voting on this measure, Representative Belatti. Thank you very much."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2246, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR CLAIMS AGAINST THE STATE, ITS OFFICERS, OR ITS EMPLOYEES," passed Final Reading by a vote of 48 ayes, with Representatives Belatti, Ito and Rhoads being excused.

Conf. Com. Rep. No. 132-14 and S.B. No. 2634, SD 1, HD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 2634, SD 1, HD 2, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

"Mr. Speaker, thank you. I needed to ask for a ruling on a potential conflict of interest. My wife is a lobbyist. Thank you," and the Chair ruled, "no conflict."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2634, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LOBBYISTS," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 133-14 and S.B. No. 2609, SD 1, HD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 2609, SD 1, HD 2, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

"Thank you, Mr. Speaker. Just a brief comment in support. Mr. Speaker, this was a long time coming. I'd like to thank the Speaker and the Finance Chair for their leadership and guidance as you've worked through this measure. I'd like to submit additional written comments for the Journal."

Representative Nakashima's written remarks are as follows:

"Raising the minimum wage is good for Hawaii's families and good for Hawaii's economy. Money in the pockets of working people will be spent to make ends meet, boosting our economy and creating jobs in our communities. According to the Federal Reserve Bank of Chicago, every \$1.00 in wage increases for a minimum wage worker results in \$2,800 in new consumer spending by the worker's household over the following year.

"Raising the minimum wage is also good for Hawaii's working women who, together with their children, will benefit from increased economic security. In Hawaii, 47 percent of full-time minimum wage workers are women, and 75 percent of our heads of household for Temporary Assistance for Needy Families (TANF) programs are women. Across the nation, women workers are concentrated in low-wage industries such as food service, retail, and home health care, and despite the progress women have made, women still earn less overall than men in all occupations – a wage gap that translates into thousands of dollars of unearned income over a lifetime. As applied to Hawaii's TANF beneficiaries, women with children are disproportionately represented in low wage jobs and will accrue the greatest benefits from an increase in the minimum wage.

"President Obama warned that a relentless, decades-long trend of growing inequality and social immobility posed a fundamental threat to the American dream. Today, we take our first step toward reversing that trend by taking up the president's challenge to raise the minimum wage to \$10.10.

"At \$7.25, the current minimum wage equals one and a half gallons of gas, one fast food meal, or a movie on discount half-price night. With the minimum wage at the current rate you must work one hour to earn the \$7.25 that only supplies you with small necessities for everyday living. Although the moderate increase in the minimum wage from \$7.25 to \$10.10 represents an increase in salaries, is it truly enough? This controversy can lead to a major change in everyone's everyday lives and boost our economy to a period of prosperity.

"The bill before us represents a moderate wage increase that will fuel our economy, strengthen families, and improve the quality of life."

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

"Mr. Speaker, with reservations. We had some lengthy discussions about this measure, Mr. Speaker, as it was moving through the Body, and we also had some good adjustments that were made to it, especially that were pressed for by the House. I think the Chair of Labor did an outstanding job in making sure that we held firm to the House's position, which was definitely much more responsible in regards to the economy and our employers and the economic sector, Mr. Speaker.

"My reservations with this measure actually come from the fact of what it's intended to achieve. I'm going to make a prediction, Mr. Speaker, that this measure, which is supposed to assist and help the most vulnerable in our communities and those who have the most difficult time making ends meet and paying their day-to-day bills, which has been a top priority and concern of mine, not only over the past couple years, but throughout my entire life, Mr. Speaker.

"My prediction to you is this, is that the poorest and those who work for this minimum wage, Mr. Speaker, those communities, those families, after we pass this minimum wage, as we did increase the minimum wage a number of times in the past 10, 15 years. When we increased it each time, Mr. Speaker, those families that were living in poverty still continue to struggle with poverty. Those communities that have a whole host of economic challenges continue to struggle with those economic challenges today, Mr. Speaker. And my prediction is this, when we pass this measure, those communities will be in the same place in the next few years, those families will be in the same place in the next few years, and that nothing of real material change will happen in regards to their circumstances.

"That's where I believe we need to assess exactly what it is we're doing and how it is we're doing it in regards to achieving the objective of raising communities and families out of poverty, because it's not going to change,

it's not going to change. In another five to six years we're going to come back here and say we need to raise the minimum wage because of those who are struggling in the working class, and they're going to be the exact same people we're going to be talking about, they're going to be the exact same communities we're talking about, because nothing of material changed with their circumstances.

"And yet we can look to models, like Germany, which is the only country in Europe that doesn't have a mandated minimum wage, and yet it is the economic engine of Europe. We can look to the State of North Dakota, where those who work at McDonalds will be making, in a few months, will be starting at \$20 an hour, with a \$300 signing bonus, just for signing up to work at McDonalds. Now, what's the difference there? That's not their minimum, \$20 is not the minimum wage in North Dakota. The underlying struggles that we face, Mr. Speaker, is an economy that is operating under an infrastructure that was created to regulate an economy from the 1950's, 1960's, 1970's.

"We haven't brought Hawaii into the information age where we need to be, where the minimum wage actually should be up. The minimum wage people should be making here in the State of Hawaii should be upwards of \$33 an hour. That's where we need our people to be, Mr. Speaker. And until we address the underlying and fundamental causes of the economic challenges and struggles which we have in this state, we're not going to get the families and the communities that are struggling the most, that are most vulnerable to the place where we need them to be.

"A recent study came out of Harvard that showed the impacts and the effects of poverty on intellectual performance of students. When given to another economic group, and if you gave them the same struggles, their ability to perform declined. The underlying struggles we have with poverty in this state, Mr. Speaker, is what we really need to address. And this is the easiest way to address it. Right? This is, even though it has been clearly identified as one of the least effective ways to address poverty in this state, it has been identified as one of the easiest, yet least effective. And we, Mr. Speaker, as leaders in this state, need to do the heavy lifting for those who are depending and counting on us to do it."

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

Representative Fale continued, stating:

"That is what people expect us to do. Those are the challenges that people who look to us as leaders anticipate that these are the challenges that we're going to solve. And we're going to put our minds and our hearts together here to change the direction for these communities and these families.

"Again, we go back to our own institution, a study out of the University of Hawaii said that raising the minimum wage is not the best way to address the poverty issues here in the State of Hawaii. That there are other more effective ways that are more difficult to do than simply mandating a minimum wage increase, that are more effective, and yet we are not pursuing that, because it is harder.

"But, Mr. Speaker, I wasn't sent here to do what was easy, I was sent here to do what was hard. And these difficult challenges are the challenges we need to shoulder and carry forward, because the future of Hawaii is counting on it. And so for those reasons, Mr. Speaker, I look at this measure, but at least it's something, at least it's something. It's not doing the difficult task I believe our constituents are hoping for us to do, but at least it's something.

"So with those reservations, Mr. Speaker, I sure hope that somewhere in the very near future, looking at a softening economy, looking at the severe declines in revenue that we are no longer going to have here in the State of Hawaii given our economic challenges, which are very reflective of the economic challenges that the working families of Hawaii face, I expect us to dig in a little deeper and work a little harder, Mr. Speaker, for their sakes. So for those reasons, Mr. Speaker, I support the measure with reservations."

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

"Thank you, Mr. Speaker. In support. I have a prediction to make, too. Everybody who gets this pay increase is going to be glad they got it. Thank you."

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

"Mr. Speaker, I stand in opposition to this measure. I think the most troubling thing for me is the tip credit. I don't think it's functional, from my point of view. It doesn't kick in, I think, until up around \$17 an hour. We can make jokes about people being happy or predictions here and there, but I also have a prediction. That every item sold at many of these places, every fast food joint, is going to go up. So you gave the person a raise from x to y. But guess what? Every jumbo jack, every big mac, every milk shake is all going to cost more. So, that's why I object to it. Thank you."

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

"Mr. Speaker, I rise in support. I want to insert the comments that I made during Third Reading and Second Reading in the House, and just a real brief remark. I want to thank the Chairs of Labor and Finance for the amazing work they did. I think, on the contrary to the previous speaker, this \$7 trigger is cutting edge. I think it can set an example for the nation, really. It defines the poverty threshold in terms of wage, and says that you can only take out this higher tip credit if this employee is making this much after the tips, which is very, very easy to calculate for the restaurant industry. It's on every paycheck.

"The argument that they're making is why do these people need a raise when they're making sometimes \$60,000 a year? So we're saying, fine, if they are making that much, you can take it out, but if it's the small guys that work at Sanoya's or Tasty Crust on Maui, if it's those guys, then you can take it out. I think that's very, very fair.

"In terms of the argument that this isn't lifting people out of poverty, I heard this from both sides, even supporters, even friendly legislators in the building. Actually, right now under minimum wage, you're making about \$13,920 a year, that's about \$500 over the poverty rate, so you're pretty much impoverished. With this minimum wage increase, you'll be making \$19,392, so that's well, well above the I think 140 or 150 percentage threshold of poverty, and that's huge. In other words, \$6,000 a year, that's, you can raise another kid. So, let that be known that this is taking thousands of our neighbors out of poverty. So with that, thank you."

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

"Thank you, Mr. Speaker. In support and I want to thank the Labor Chair and leadership for working on this bill. This was a culmination of two years of hard work and negotiations. But behind the bill, I want to recognize some of the advocates who are in the audience today. Especially Jason Bradshaw, Reverend Bob Nakata, if you guys could stand. Catholic Charities, Bart Dame, and then the rest of you folks who've worked really hard for the last few years to make this work. So, if you could all stand up at this point. And anyone else who worked on and advocated for this bill, I want you to stand up so we can recognize you folks. Okay, thank you."

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

"Thank you, Mr. Speaker. In support with some slight reservations. I'd like to incorporate the comments I made the last time I spoke on the bill into the Journal again with a few additional comments. Mr. Speaker, I feel compelled to bring the voice of the mom and pop into the House today. A lot of them were afraid to testify or bring their concerns, or some of them were just too busy working trying to make ends meet. Mr. Speaker, I'm

going to say again, there's a lot of mom and pops that are doing the right thing. They do everything they can to keep their employees at 20 hours, so that they can provide the medical benefits that they do so.

"Mr. Speaker, we had a tax credit bill that would have given the employers that hire individuals with disabilities a tax credit. Many of these mom and pops hire these individuals as a form of public service. Even if they're maxed out as far as employment, they bring these individuals on and bring them into the system. They help train them, they help rehabilitate them, they give them tools that they need to succeed, and I fear, Mr. Speaker, that without the additional relief, many of these companies will be forced to do away with those programs.

"Mr. Speaker, there's a lot of mom and pops that will hire high school students as summer hires, even though they don't need to hire them. They bring them on because they can give these high school students some practical experience and help grow them. Mr. Speaker, a lot of the voices from the mom and pops are concerned that with this, they may do away with those programs. Mr. Speaker, I'd like to submit additional comments into the Journal. Thank you."

Representative Kawakami's written remarks are as follows:

"Mr. Speaker, I want to make it clear, crystal clear, that I support the increase in minimum wage. However, I feel as if people are disillusioned as to what is the actual compensation. You see, Mr. Speaker, the wage that one earns is just the tip of the iceberg. Other components such as medical, dental, unemployment insurance, profit sharing, overtime, paid holiday, paid birthday holiday, paid anniversary holiday, paid sick leave, and a slew of other benefits make up one's actual compensation.

"Mr. Speaker, I feel that many in this Chamber are out of touch of what it takes to actually run a business and the risks and expenses at doing so. I have heard rhetoric that this will lift people out of poverty and we need to have a living wage. Minimum wage is the starting line. It was meant to be a starting line. One must work themselves up to the living wage. We should focus on how we can empower our people, educate them, so they can better themselves.

"Mr. Speaker, I am glad that we are raising the starting line, but we should not be fooled that the wage an employer pays is the only expense. Like I said, the wage is the tip of the iceberg; the mass often sits unseen."

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

"Thank you very much, Mr. Speaker. In support. If I do have some slight reservations, it's because frankly there is a tip credit in there. It seems to me, we ought to do away with the tip credit and instead that tip credit has increased. Second point is that the first year increase is 50 cents, then 75, 75, then it goes to 85. I would've preferred the increase being reversed. After all, people who are making minimum wage in our community have not seen a raise, unlike many of us in our community, including all of us sitting here, in almost eight years. So it seems to me it would've been better to give them a bigger bump, and then in subsequent years that bump would continue, but instead it's going to be 50 cents.

"Last point, let me paraphrase what I said the last time this bill was on the Floor. I do hear the concerns expressed that restaurants might have to raise their prices for their meals and what not. But let me remind Members, over the past eight years most, if not all restaurants, have raised the prices of their meals, even without the minimum wage going up. It's because the cost of insurance, rent, energy, food, all the things we need to live in our community, has gone up. Once again, it also went up for those making minimum wage. Thank you."

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

"Thank you Mr. Speaker. I rise with support with reservations. And I'd like to use my speech from Third Reading on this bill when we passed it over to the Senate, Mr. Speaker, if I may? I'd also like to add the comments from the Representative from Hanalei as if they were my own.

"Mr. Speaker, I know I said this before, but as a person who was in a partnership and owned three restaurants, two of them that would be directly affected by this, I no longer am in that partnership, but I, in deference to the Representative from Maui when he said that the small restaurants are the ones that are going to be affected, the employees, I look at it a different way. Because what will happen is those small restaurants, if the businesses can't take the tip credit because those employees on a five hour shift are not making \$35 for that day in tips, what they may have to do, Mr. Speaker, is if they don't get the tip credit or if they're not allowed to use the tip credit, some of them may have to close. And that's what I see happening. The big boys, this is not going to affect them. This is not going to affect the big boys throughout the State of Hawaii. But the little guys, the small little Washington Saimins, Hamura Saimin on Kauai, those are the people that may be affected by this.

"So the other thing that I heard was an 85 cent tip credit. I don't think the bill says it goes up to 85 cents, I think it just stays at 75. So Mr. Speaker, I thank you for allowing me to speak on this issue, and I hope I am wrong, but I know people are going to be struggling out there, the small restaurants are going to be struggling. Thank you, Mr. Speaker."

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

"Mr. Speaker and Members, I wish to speak very strongly in favor of the measure. I think it's long overdue. I think we've joined all those states that are progressive, and think of those that are on the bottom of the ladder. But I'd like to say and I'd like to add a caveat somewhat, that I do feel for the small restaurants, and I had a member of my family when she was in need, they provided a job for an interim period, and so I'm very supportive.

"But I believe they're two different issues. I think that we need to look in the future, how we can take care of the small businesses, and as the Representative from Hanalei mentioned, looking at credits and those types of things that can make them survive. We need to find a balance, we need to find a balance from those who are impoverished, in the bottom, and I don't think we have done that good a job over these past years, but this will help a little bit, and we need to help the small businesses that can't help themselves.

"So with this, Members, please support the increase and let's look in the future how we can help some of the small businesses. Thank you very much."

Representative Har 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. I'd ask to insert my comments from Third Reading on this measure, and just note one thing which I didn't mention then, which is that of all the workers who earn minimum wage here in Hawaii, 85 percent are 21 or older. Meaning they are your average families, some even with kids. And for those who are two adults, three quarters, three out of four, don't make enough to put a basic roof over their head and put food in their mouths. For single individuals, half of those don't meet that standard, and for families with kids, even less than that.

"So it's clear that we have a long way to go, and raising the minimum wage a couple dollars an hour more isn't going to certainly lift those people out of poverty, but it's going to mean a lot getting them there. Here in a state where it costs \$26.58 cents an hour to be able to earn enough to have a home, that's what it costs. And this doesn't get close to that, but it's a step. Thank you very much."

Representative Matsumoto rose and asked that the Clerk record an aye vote with reservations for her, 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:

"I strongly support this increase in the state's minimum wage. The purchasing power of Hawaii's minimum wage has steadily decreased in the more than seven years since the last time it was raised in 2007. Increasing the minimum wage will add millions of dollars back to the economy every year. Low-wage workers are also shoppers – for food, rent, gas, clothing – all dollars that will be spent in our local economy and contribute to our economic recovery."

Representative Fale rose to respond, stating:

"Mr. Speaker, just in a brief rebuttal to a statement that was made earlier. Yes, the prediction is going to be that those who get this minimum wage are going to appreciate it, Mr. Speaker. It's like, remember when you see those in poverty or those who are starving and you throw them out a crumb of bread and how they attack it and, sure they're grateful.

"Mr. Speaker, what I'm saying is, and I said this last year as well, that when we pass this minimum wage, too many of us are going to pat ourselves on the back and say 'we helped the little guy.' When we clearly understand that this, we just heard a statement that the majority of those who are earning minimum wage are 21 and over. What does that point to? That points to a failure to open up economic opportunity, that points to a failure to outfit the next generation with a set of skills that are going to earn them way more than the minimum wage.

"This is a question of leadership, Mr. Speaker. And the fact that we have to mandate and force employers out there, force them, with law, to pay their workers this much, is simply a failure of leadership, Mr. Speaker. I've talked to small business owners who haven't paid themselves in seven months because they're barely surviving, and it's more important for them to pay their workers than to pay themselves. In seven months, they haven't paid themselves, Mr. Speaker. That's the kind of struggling that is going on inside of our private sector these days.

"If we don't do what needs to be done, things aren't going to get any better. And going out with the force of law to bring down the hammer on our small businesses. Walmart's going to do fine, Target's going to do fine. It's the small mom-and-pop shops, those that are run by members of our community who were born and raised here, who are going to get whacked the hardest with this. The person that I'm telling you that hasn't paid themselves in seven months, born and raised here in Hawaii."

Representative Wooley rose, stating:

"Point of clarification, Mr. Speaker. Is the speaker speaking in support or opposition?"

Representative Fale continued, stating:

"With reservations, Mr. Speaker. And it's going back to why we're going to go and say, 'we helped the little guy'. We didn't help the little guy. And we're not setting the stage for success for future generations that are yet to be born into this great state. And until we face the difficult challenge that we must face as leaders in our community, Mr. Speaker, we're not opening up the economic opportunities and securing the future of Hawaii. For those reasons, Mr. Speaker, I'm still with reservations."

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

"Mr. Speaker, I stand in support. Minimum wage on the bottom end can sometimes be seen in microeconomic terms. At one time I was very intrigued by microeconomics and thought I might major in economics and not in political science, but when I got into macroeconomics, I was completely confused, it was too large, too abstract an issue, and I got completely turned off by economics.

"Minimum wage is a basis for changing the livelihood and the income of certain individuals on the bottom end. It does link up to macroeconomics and it does have a link to economic development and job development, but in a lot of ways there is a disconnect. And if we really, really want to do something about economic development, about job development, we

should look at what we can do in macroeconomic terms, what we can do as a government to do that.

"Of course, our powers as a government to effect private sector business are, and I think should be, somewhat limited. But we can encourage a certain kind of planning, which has nothing to do with microeconomics. A certain kind of development of expertise, a certain development of the financial infrastructure. A certain awareness of what our natural advantages are. That's how we raise jobs and create jobs in Hawaii. This bill about minimum wage has very little to do with that bigger picture, but it will help some people in the short run. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2609, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MINIMUM WAGE," passed Final Reading by a vote of 49 ayes to 1 no, with Representative McDermott voting no, and with Representative Ito being excused.

Conf. Com. Rep. No. 134-14 and S.B. No. 2821, SD 2, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2821, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 137-14 and S.B. No. 2581, SD 2, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2581, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE BUILDING CODE," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

At 4:29 o'clock p.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 2246, SD 2, HD 2, CD 1
 S.B. No. 2634, SD 1, HD 2, CD 1
 S.B. No. 2609, SD 1, HD 2, CD 1
 S.B. No. 2821, SD 2, HD 1, CD 1
 S.B. No. 2581, SD 2, HD 1, CD 1

Conf. Com. Rep. No. 138-14 and S.B. No. 2583, SD 1, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 2583, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

"Mr. Speaker, I rise in strong support, brief comments and request written comments in the Journal. As our colleague mentioned macroeconomics, this is how you change the structure of the enabling environment. You create opportunities by such things as aerospace. And Mr. Speaker, that's exactly what this bill does, but I'll save my comments for the Journal, and this is one of those game changers, so it's a good bill. Thank you."

Representative Ward's written remarks are as follows:

"Thank you, Mr. Speaker. At this time, I rise in strong support of this bill. This bill appropriates \$250,000 in FY14-15 to PISCES to conduct an engineering assessment and study of the proposal to establish a laser optical communications ground station in the state.

"The assessment will be done in partnership with NASA and requires matching funds from it was well. Hawaii has been deemed by NASA to be the best location for their first operational laser communications center which will be part of a global network of ground stations. This emerging technology is anticipated to replace radio frequency communications and be used in space and on Earth.

"If established, NASA would be able to invest millions of dollars into the ground station any additional expansion stations. The Hawaii ground station will require a base of technical experts, and it is envisioned that UH would provide the needed technical expertise. This station and the expansion of this technology may also lead to more high-tech job opportunities in the state.

"Furthermore, all of this fits in with our push at the grade-school level to improve our students' STEM capabilities. Future careers in STEM fields in Hawaii would encourage more children to pursue those fields of study.

"Because of these economic and educational benefits, I stand in strong support on this bill. Thank you Mr. Speaker."

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

"Thank you, Mr. Speaker. In support. First I would like the words of the previous speaker entered into the Journal as if they were my own. And also, this is more than just aerospace. Mr. Speaker, aerospace, why I'm such a big fan, along with the previous speaker, is because it spawns many economic children, and this situation it is spawning something called 'speed of light internet', Mr. Speaker.

"This system, which would allow laser communication through broadband from between Mauna Kea and Haleakala, you know our broadband system creates a new redundancy network for the pacific cable, Mr. Speaker. That means that our people, Mr. Speaker, if this cable is severed, will have connection to the mainland and to the world. This is the technology that will be duplicated and scalable and will actually change broadband as we know it today. So, Mr. Speaker, in strong support, and comments to the Journal as well."

Representative McKelvey's written remarks are as follows:

"Mr. Speaker, the increasing data rate requirements from more and more sophisticated instruments of future spacecraft will soon outstrip the RF communications that is currently used. As NASA plans to introduce laser communication technologies with its next generation spacecraft, they have begun to establish a global network of laser communication ground stations.

"Undoubtedly, Hawaii is the very best location for the first operational laser communication ground station. Due to the fact that clouds present a major obstacle for laser communications, NASA has conducted detailed, statistical analysis of weather patterns across the entire US. This is the primary reason why both NASA and PISCES have been exploring a specific location in Hawaii for their first laser communication ground system.

"Mr. Speaker, the assessment co-funded through this legislation (with matching funds from NASA) would help identify the most appropriate location in Hawaii. There are several significant benefits that this measure would redound to our state. First, it would provide a significant upgrade to the fiber optic connections through ocean cables for the entire state. Additionally, this new technology will bring technical experts that will serve as a technical resource for the entire global network of such stations. It is envisioned that the University of Hawaii could provide the required technical expertise beginning with support for an atmospheric study in 2014, and leading to staffing for a center of excellence in ground to space laser communications in the future.

"Finally, the investment that we are making today in supporting this urgently needed capability will undoubtedly assure Hawaii a unique leadership role in this pioneering new frontier – an investment that will also contribute substantially to the economic prosperity and wellbeing of the state, while also inspiring Hawaii's future aerospace workforce to pursue Science, Technology, Engineering and Math (STEM) related academic training in our local schools and universities."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2583, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PACIFIC

INTERNATIONAL SPACE CENTER FOR EXPLORATION SYSTEMS AND NATIONAL AERONAUTICS AND SPACE ADMINISTRATION LASER COMMUNICATIONS GROUND STATION INITIATIVE," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 139-14 and S.B. No. 2315, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2315, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE DEPARTMENT OF PUBLIC SAFETY TO PROVIDE SUBSTANCE ABUSE TREATMENT SERVICES," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 140-14 and H.B. No. 2590, HD 1, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2590, HD 1, SD 2, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

"Thank you, Mr. Speaker. With reservations for now, and a few brief comments. Mr. Speaker, I initially signed this bill in an effort to show broad support for meaningful voter reform that I think would allow more of our residents more opportunities to vote. Now I've taken some heat for signing onto this measure, because people seem to be under the impression that this kind of measure would tip elections in favor of only one political persuasion. But I think that's a misconception.

"I've heard estimates from some mega churches that as many as 60 percent of their parishioners are not currently voting. Many of them are unregistered. These estimates make sense in a state with such lower voter turnout. In short, I think it's a mistake to assume that all registrants will be liberal voters. In some of those traditionally conservative groups like mega churches, bussing their people to polls and registering at the polls as this bill encourages, could potentially transform Hawaii's elections and create a more robust democracy.

"My reservations, Mr. Speaker, stem from my belief that we didn't properly fund this measure or include meaningful mechanisms that could help prevent duplicative voting. I do believe that one barrier to voting is the inaccessibility of the registration process, but I believe that an even bigger factor is that many people believe that their vote doesn't matter or that the deck is always stacked against them.

"If this bill in trying to increase registration also increases voter fraud or even just furthers disorganization at the polls, as we saw in previous years, this bill will only serve to increase voter apathy and move our state backward, not forward. For these reasons, Mr. Speaker, this Body needs to think very seriously about what we're doing here today.

"Again, I know it could help groups like New Hope and others turn out more of their voters and help increase engagement in our state's elections, but if this bill is successful, future legislatures must revisit this measure to ensure that it does not weaken the integrity of the democratic process, further disillusion voters, and infringe on our citizens' rights to free and fair elections. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. In support. First I just wanted to say that this is not a radical proposal by any means. A number of states, 13 states and the District of Columbia have already approved same-day registration laws. California is in the process of implementing, Colorado has it, Connecticut just recently adopted it, the District of Columbia has it, Idaho's had it since 1994, Iowa has it, Maine has had it since 1973, Maryland will be implementing it the same time we will, if this bill passes, in 2016. Minnesota's had it since 1974, Montana has it, New Hampshire's had it since 1996, North Carolina has a limited form of it for early voting

only, Wisconsin has had same-day registration since 1975, and Wyoming has had it since 1994.

"So, I agree with the previous speaker. From my perspective it doesn't matter who it helps or who it doesn't help. It makes it easier to register to vote. But I think if you look at the states that I've read off here, there are both liberal and conservative states, and I think the underlying purpose is to increase voter registration.

"With regard to the issue of fraud, first of all, the evidence indicates that there just hasn't been much at all. Maine reportedly, Maine adopted the same-day registration in 1973, and to date they've only had two cases of voter fraud in that entire time. You can say that yes, you didn't catch them all, but two, and even if that's the tip of the iceberg, it's not a very big iceberg. And also if you look at other studies that have been done, Georgetown Journal on Poverty Law and Policy, a law review article, described examples of in-person voter fraud as, quote, 'infinitesimally few,' unquote.

"Courts have noted this as well. The Connecticut US District Court cited the Connecticut Office of Legislative Research Report that found that, quote, 'no state had any formal allegation of fraud, and four had anecdotal information peculiar to each state.' So there's just no reason to fear the fraud aspect of this.

"There are a number of ways in the bill and in current law that allow for fraud to be addressed. Probably the most effective is one the Office of Elections is already planning to implement whether we pass this bill or not, and that is what's known as an electronic poll book. With an electronic poll book, you have a real time access to the statewide voter database, and you can verify that a perspective voter has either registered or not, or cast a ballot at another polling spot in that same election or sent it in by mail prior to the registration.

"So with that technology in place, which is completely believable for those of us who have campaigned, we can get our entire voting list on a smartphone, and it's not a huge technological jump to have it in real time for everyone. And again, the concerns about fraud are inflated at the least.

"In addition, the Office of Elections, the voters who take advantage of same day registration can be challenged when they go to vote by other voters, and if they're found to have not properly filled out the forms and don't live where they say they're going to live, they can be turned away there. But in addition, the election itself can be challenged based on voter fraud, after the fact. So there's two major methods for addressing fraud in this situation and in all situations, not just fraud for same day voter registration, but for voter registration in general.

"And I would say with regard to voter registration in general, I have to check the time I so rarely talk this long that I don't know for how long I've gone, but in any case, I'm almost finished. There are two major ways to stop voter fraud, both for same day registration and for regular registration. And the fact is that for regular registration, there's very little oversight of that either. The Office of Elections sends you back a yellow card, and if it bounces, if it comes back to them, then they have some reason to believe that there's a problem. Otherwise, they have no reason to believe there's anything wrong, and there just isn't that much checking that gets done in any case.

"So for those reasons, I support the bill. And I think that while it's not a silver bullet for our low voter turnouts, it will help and it will bring into the process a group of people who, for whatever reason, have failed to become part of the mainstream. Again, I support the measure. Thank you."

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

"Thank you, Mr. Speaker. In support with reservations. And I'll just be brief. I honor the author's intent. I think it's a good one and it's one that I also support. And I think fundamentally it's to increase access and opportunity to the electorate, which I think is a very worthy and noble goal. I did prefer some of the various iterations of this bill before the

conference draft. But because I think it is worthy and a valid measure, I'm still voting in support.

"My reservations stem from the fact that I think our Office of Elections hopefully won't be in the 2014 cycle plagued by the same problems that it's experienced in multiple past election cycles. But considering that the Office of Elections, in some cases, in different counties has difficulties even complying with basic requirements of ensuring a valid, timely, successful election, I do have concerns that some of the basics still are working out some of the kinks.

"I am concerned that given that sometimes we experience things as fundamental and severe as ballot shortages, that I'm not convinced that we possess demonstrated track record of success in terms of implementing things in a successful and timely fashion, especially something as this, which I think would require a lot of being nimble, and competent and successful on the day of the elections, potentially all the way leading up to it. I do have some of those concerns.

"My comments are not met at all to disparage the Office of Elections, but I think they're a realistic assessment of some of the past lack of performances that we've seen in different election cycles for different reasons, and just recognizing that is a realistic landscape as we add another potential responsibility to them. Thank you."

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

"In support. I want to thank the previous speakers, not just from today but from previous readings as well, for the concerns they raised. I think they're valid ones. I know a previous speaker went over the issue of voter fraud, and I just wanted to add that currently registration in person is a lot less prone to fraud than registering by mail, that's proven time and time again. So this would be in line with that. Obviously it's in person. It will be checked, they will be asked for ID and self-subscribing oath of identity and residence. And if you're lying, it's a felony resulting in three years in prison. So it's kind of an irrational crime to commit for a single vote, and a non-issue in other states that have implemented it.

"The biggest concern for me was the poll workers. This was brought out, I think last year, in a similar measure by our Speaker Emeritus. I listened to that and I took it to heart. So, I talked to poll workers, I talked to the county clerk, I talked to the Office of Elections, especially after some of the problems that a previous speaker mentioned that they had to deal with. And just as important as increasing civic engagement, which is a passion of mine, especially among the youth, is the integrity of our election system and our voting roles.

"So, I wanted to make sure that we provide them adequate funding, just as the Speaker Emeritus requested that we do. So, the number that they came up with, with the Office of Elections and the county clerks for the 2016 rollout, was around \$80 to \$90,000. So we provided actually \$100,000 to get this program started. And of course the same day portion of this bill would not implement until 2018, so that's four years from now.

"There's also a trend, because this assumes that there's going to be a big rush to the polls of a lot more people coming in to register and the lines will be longer, but there's actually a trend of even if this increases turnout at the polls by 5 percent, there will probably, likely, be a decrease, because of the increase of mail ballots that are going in, of about 5 percent as well, and so it kind of evens it out. This is based on data over the last four election cycles.

"As I think was briefly alluded to, there's going to be a brand new election voter database that will get started in 2016, simultaneously with this program, and that will be used to cross check, but also make the job of poll workers a lot easier with the poll books. Training will be much more efficient, there will be cost savings, and it'll just be an easier job for them, and it's re-expedited on the lines as well. So this will actually reduce fraud and cut costs and make life easier for poll workers. But still we decided to provide the support that the counties needed.

"So, yes, I agree that there's other solutions to increase civic engagement. There's civic education in public schools, community

outreach, finding good candidates, us doing a good job in the building to get people excited about politics. But in terms of doing anything to increase voter turnout right now, this is the biggest bang for the buck. This is the most instant impact that we can get.

"So, someone from another Chamber mentioned, we shouldn't focus on registration, we should focus on getting people to the polls. And actually, this is exactly what the bill does. Right now there's a two-step process for a new voter. You've got to register them then you've got to find them again a month later and remind them to get to the polls. This eliminates one of those steps, and if you're a new voter and you're excited to vote, you just go ahead and do it.

"In the 1960's, we were number one for voter turnout. Fifty years later, we're number 50. We're dead last. I gave you an anecdote last year for a similar bill. There was a young Hawaiian, he was riding his bike and he came up to me and he said, 'you know, I never voted before, but I like vote now because of you.' And I told him '*braddah*, I'm sorry, but it's too late to register.' So this arbitrary deadline that we have for registration disenfranchised this young voter, who for the first time in his life was civically engaged and he was excited about it.

"So what justification do we have for this registration deadline? And is it so important that we're going to like completely disenfranchise this person, and maybe not even turn him off for this year, maybe he's just going to float along not voting. Voting is a habit, it's like making your bed. People who vote, vote all the time. This bill was to target the other people. Everybody else, who deserves a voice as well. Maybe they will develop a habit later on.

"So, we're the worst state for voter turnout, but we don't have to be. We can be the Legislature, the 27th, that changes this. It's really exciting for me. I hope you guys feel the same way. Thank you."

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

"Thank you, Mr. Speaker. I'm rising in support, but with some reservations. Thank you. Mr. Speaker, my reservations are somewhat similar to the Minority Floor Leader's reservations. I don't know how well the Office of Elections will be able to handle this. In a recent election, they ran out of ballots in Kailua at several precincts, and voters standing in line gave up and left. So I don't know how this is going to work out. I think there needs to be a lot more examination of the office's capabilities and the funding for them to be able to comply with this in 2016. Thank you."

The Chair addressed Representative Thielen, stating:

"I think the onsite voter registration is 2018, if I'm correct, but the rollout is 2016."

Representative Thielen continued, stating:

"Voter registration at absentee polling places beginning in 2016, and then late voter registration including on Election Day beginning in 2018. Both of those are going to require an Office of Elections that doesn't run out of ballots. I mean, that's the standard that we have now, and that's not good. Thank you."

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

"Thank you, Mr. Speaker. I was going to vote with reservations, but my colleagues on the other side of the aisle have convinced me that I'm not the only one who's looking at these concerns. And so, Mr. Speaker, in opposition.

"A lot of people will say, well why are you trying to block people from voting? And that's not the case. How many of you remember, and it's not just the recent election, we ran out of ballots at precincts. If one precinct does not close, then the whole state has to wait for that one precinct to get their ballots to the State Capitol in Oahu's case, and on Kauai it's the City Council offices.

"So, having been a Councilmember for 10 years, my office was in the same office as the elections office. And I saw how crazy it is on Election Day. Now, to add on top of all of the things that is going on now, and some of them they could not control. To add that to the list with people from the elections office at every single precinct to make sure that these people are qualified and registered and they actually come from that district. Now they're going to vote, and if they're not from that district, then what? How are we going to check on those people's affidavit? I don't know how we do that.

"The Judiciary Chair brought up some comments, I don't know how they do it in the other states, but I do know that, one of the comments that was made was the bang for the buck. I don't think this is enough bucks to make a bang, Mr. Speaker. \$100,000 and I know this is just for the first portion, but how are they going to rollout the next portion? And if other Members don't see that as an issue, I think we need to look at that.

"I think if we're trying to get more people to get elected, and I applaud the Member from Maui looking at younger people trying to vote, then why don't we go where they are? And where are they, Mr. Speaker? They're on Facebook, they're on Twitter. Let's look at ways to use that venue to get people to vote. And that is a lot more secure than anything that they're going to do in the polls on that day.

"So for those reasons, Mr. Speaker, I think one of the things we did with public funds for voting was we did a pilot project. Then for the whole state, why don't we look at that? Maybe that could be an option? But really, Mr. Speaker, if we really want to attract the young people, they're on Facebook, they're on Twitter. That's how they want to communicate with us. That's how they want to be able to vote, and everybody knows that. Everybody knows that if we made it accessible for them that way, then we would get more people to vote.

"But I don't think this is going to accomplish that. And as one of the Members said earlier, I think what's going to happen is if this creates delays at the polls, then people are going to get turned off. We went to sleep one night, I think two elections ago, and somebody won. And the next morning when we woke up, they lost. And that's all because of the different things that go on with the elections offices. And I don't want to give them more burden, Mr. Speaker.

"So for that reason, I thank you for the minority members that have spoken about this. For that reason, Mr. Speaker and all of the things that were said earlier, I'm in opposition. Thank you."

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

"Mr. Speaker, I stand in support, however, with some slight reservations. The reservations actually have been beautifully encapsulated by the second Vice Chair of Finance, and so I'd like those comments to be reflected in the Journal as if they were my own.

"I just want to use this, and I'm so glad we have a delayed implementation date, because there are a lot of issues that need to be worked out. And I for one totally support access to the polls, especially for our young people. I guess the concern I have, and this comes when the fact when you have things across the mainland that may not play out in Hawaii the same way, is with a phenomenon of part-time residents, Mr. Speaker.

"In my district in particular we have a huge amount of part-time residents. Now, they're not going to come to the polls to fraudulently say to register to vote. A lot of them will probably come to polls genuine. And they'll use that address in Hawaii that they have as their part-time residence. And what worried me about the deletion of the requirement that the registration clerk demand evidence and instead leaves it up to a voter challenge, is that number one, I don't think a voter challenge would be issued in these cases. And number two, I could also see it being used as a tool in political campaigns to contest the votes of the others.

"The part-time residency thing really concerns me, Mr. Speaker, because if we have people coming in who are part-time residents and are

registering a vote on the same day, you could disproportionately tilt elections in certain sections of our islands.

"So, Mr. Speaker, I hope that we can come back next year or the next Legislature can, and address these issues and work with the communities and fund this program, so that come the implementation date of '18, we have something robust and successful that will not create grey areas, loopholes, and not disenfranchise voters either. Thank you very much."

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

"Thank you, Mr. Speaker. I rise in opposition. Thank you, Mr. Speaker. Mr. Speaker, I thoroughly agree with the comments of the Chair of Judiciary and I want to thank him. And in fact, I'd like to request permission to incorporate his words. Although he was in support, I absolutely agree with him that the other states as well as the issues of fraud are addressed, but that's not where my opposition stems from. And I want to just follow up on things that were mentioned by the Representatives from Foster Village as well as from Kailua.

"Let's take a journey back to 2012. The Representative from Kailua noted that in her polling precinct, they ran out of ballots. I too went through the exact same thing. What concerns me, and I know this has already been said, but I want to delve into some more detail, is this. And with all due respect to our Office of Elections, they work very hard. But in 2012, our Office of Elections knew the entire universe of registered voters prior to Election Day, and yet they still were unable to provide the requisite number of ballots at each of the polling places. And as a result, we all know the debacle that happened afterwards. And as a result, many people were disenfranchised and ended up leaving and not, in fact, voting.

"So what concerns me is, how will the Office of Elections understand or how will they know how many provisional ballots to provide when they can't even provide the requisite number knowing the universe of registered voters? Now all of a sudden they have no idea who's going to show up, at what precinct and when. And all of a sudden, we will be right back where we were, at that debacle that we experienced in 2012.

"So again, I think the intent is certainly laudable, and I want to thank the Chair of Judiciary for pushing this measure through. But again, the devil is always in the details, and I don't think that this bill has been fleshed out. And unfortunately, Mr. Speaker, and for those reasons, I'm sad, but I have to remain in opposition. Thank you."

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

"Thank you very much. With no hesitation, I believe that we should proceed with this. We should not be afraid to try something new, especially when states have been using it from 1970. We have four years, or at least three years, to work out the devil of the details as we move along. So, let's push this through and let's try, and let's also use Facebook and let's also use Twitter. I'll tweet a little bit to my friend in Kauai before this is over. Okay, thank you very much."

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

"Thank you, Mr. Speaker. In opposition. We all recall what happened in 2012. I was one of those. One of my polling places, of two, I only have two polling places in my district, one of them ran out of ballots at 4 p.m. People walked away and they were told, 'come back at 5:30, we'll have ballots for you.' Well they came back patiently and they never got ballots. So when we're talking about voter turnout, we had people going to my poll and they couldn't vote. Disenchanted. So that they're going to come back this year in 2014 and they're going to say, 'whoa, you not going to have ballots for me again?' And you talk about people don't want to participate.

"Again, the comments I hear out there is, 'we don't trust you guys, so why should I participate?' 'You guys don't listen to me, why should I participate?' And believe me, I used to be one of those. Don't tell them you're not getting anything because you don't vote. I don't believe in that. I represent everybody regardless of if they vote or not. But now I'm beginning to see. It's their right to participate in democracy. They choose

to vote or not vote. I didn't start voting until I was in my late 20's. That's because I wasn't surrounded by that. Now I know how important it is. I also know that I saw one election, two cycles ago, they won by 18 votes. There was one election in my district 10 years ago that won by 26 votes. There was an election in 2012, they lost by 90 votes. There was a Senator on the Big Island that barely won by 100 votes.

"So when we're talking about people getting excited at the last moment and coming to the poll because they got this notification in the mail saying this guy's good or that guy's bad, we should be very cautious on what we're doing with this measure. If it's not fixed, we shouldn't pass it. We shouldn't be setting dates out into the future saying we're going to fix it between now and then.

"I'd like to thank the Finance Chair, because I think in House Bill 1700 we gave about \$200,000-plus to the Office of Elections to deal with those issues with not having enough ballots. But I still don't think that's enough. But under the circumstances we have, with the dollars we have right now, I was thankful that they got at least that much. This measure here only gives them \$100,000, but as you read the testimony from the Office of Elections, they need almost \$400,000.

"I really don't want to go out and put misrepresentation out there for the public. Each one of us should be the doing the duty out there, to go say, 'I encourage you to register, I encourage you to participate, and these are the reasons why.' Just by offering registration on Election Day is going to increase election participation. Okay, I've heard the numbers from the Judiciary Chair, 2 percent. I get it, 2 percent will change almost every one of those races that I spoke about. One of those was a great Representative that had been here a long time. One of them was somebody trying to get here. One of them was somebody that lost, that had been here for one cycle, in my district. That's what we're really talking about. People abusing the system.

"I like the Representative from Kauai's suggestion. Maybe we should be looking at a pilot project, as we have done with campaign spending. We all know, if we want to take this island-wide, we know we're going to have some problems. And I really don't want to hear those bad comments when those problems come back.

"Unfortunately, I believe this measure is not ready, and that's why I'm voting no. We shouldn't be moving things forward if we're not prepared with them. That's either financing the department, or making it clean. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. In support. I'd like to ask to have the words of the Speaker adopted as my own, and a few additional brief comments. I've also heard talk that our existing deadlines for voter registration are based on outdated technology, and we have new technology that could move that deadline up significantly and encourage more participation. And I think in a state where we have one of the lowest voter turnout rates in the country, we should embrace something like same-day voter registration that will ensure those who would like to participate aren't excluded for no good reason.

"I would add, if we have issues with the current functioning of the Office of Elections, then we should fix those, and not use it as an excuse to punish potential voters and exclude them. We have time to get there I think with this bill, with the 2016 and 2018 deadlines. And I would just say further, I think the risks associated with discouraging people from voting and participating in our government are greater than the risks, the small risk as I understand it, of election fraud."

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

"Thank you, Mr. Speaker. In support with some reservations. One is I think it's sad, registering to vote is so fundamental to our democracy and it is in some ways embarrassing that we go to this extreme where we're in this position that we need to sort of really, really encourage people to come on that day, when they probably should have been registered prior to that.

And I think that this could encourage people not to register in the weeks coming up to the election, because they will just think they can register on Election Day, and could create some unanticipated consequences with the Office of Elections.

"In addition to that, I think that this measure may increase negative campaigning, because at the last minute, whether through mail, whisper campaigns, or on the internet, a lot of dirt is going to be dug up about people and promoted, because we see that now. I think this will be used as a tool for more negative campaigning. Thank you, Mr. Speaker."

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

"Thank you for turning to the right, Mr. Speaker. Perhaps surprise to many of my colleagues, I want to vote for this and with some reservations. Mr. Speaker, like the Speaker, I have full confidence in the democratic process. I have full confidence in the 130-some year experience that we have as Americans a very robust, democratic process. A very robust, secure process, which has got some flaws. And Mr. Speaker, having been on the election team of the Office of Democracy of USAID, what I've heard today, I heard for the five years that I was in Washington. Seeing third world and other fraudulent things destroying what otherwise is the credibility of very honest, upright people.

"So, Mr. Speaker, if we're going to do this, we have to do it well. There are some *pukas*, and as one colleague said, we have time to figure out and detail it. If we're going to do it, we should do it well. But lastly, I would say, the great thing about our democracy is that it is self-correcting. The pendulum often swings one way, then it will swing back the other way.

"This is an experiment which even some of my colleagues would be shocked to say that this is timid compared to what is coming down the line, because electronic internet voting is being experimented with, and the technology is improving and improving and improving. They don't have all the audit trail perfected yet. They don't have it to where it's totally secure, but it's getting to the point where if there was a hijacking related to the Malaysian flight and it was so undetectable because of the system they had for encryption, we are going to get to internet voting where massive participation will be the norm rather than the exception.

"For those reasons, Mr. Speaker, this is a vote for democracy, it's a vote for experimentation, but if we're going to do it, let us do it well. Thank you."

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

"Thank you. In support. I'd like to just note that it's the job of the Office of Elections to implement the law. If there's a problem with that, then something needs to change at the Office of Elections. We're giving them time, there's plenty of time for them to work out the details and come back for more resources if they need it. Otherwise, it's up to us to set policy. And any step that allows more people to vote is a step in the right direction. Thank you."

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

"Mr. Speaker, with very, very strong reservations. Actually, you know what, Mr. Speaker, I think I'll go ahead and vote no. Mr. Speaker, this is an issue that the Office of Elections has already said is very problematic. And we're going to give them about 25 percent of the resources that they're asking for to deal with this. And if they fail, we're going to let them burn. We're not going to take responsibility for assigning them a task and not giving them the resources to accomplish the mission we've given them.

"Mr. Speaker, as has been previously stated already, we aren't even able to fully fund and fully function in our current system of making sure that people's voices are heard in the democratic process by allowing them to vote. We can't even get our own people ballots to vote. Mr. Speaker, that's a very big problem. There was a measure here that asked, we can't even open the precincts that were closed from 2012. Maybe that's the first step we take in getting our people access to the ballot and making sure that their voices are heard.

"Mr. Speaker, there's two indicators of a high propensity voter. Number one is education, their level of education. Number two is their level of income. You can predict with very, very high probability, a person's propensity to vote or not dependent on those two factors. This is an issue that we had in committee and I brought up. If we want to turn voters out to make sure that their voices are heard, we need to do two things. Make sure that we're increasing their level of education, and making sure that they have increased income. Those two things, Mr. Speaker.

"This is the same case, when a person goes to the doctor and gets diagnosed with a brain tumor and they go there because their head hurts. So instead of the doctor addressing the core issues with the tumor, they give them a couple aspirin, maybe a little bit of pain medication and say, 'take this and go home.'

"The fundamental problem that we're looking at here, Mr. Speaker, is education and economic opportunity. We solve those two things, you will see voter turnout skyrocket here in the State of Hawaii, without doing anything else except those two things. But then again, Mr. Speaker, that goes back to doing what is hard. That's a hard thing to do. To turn entire communities around, to really raise people's level of education, really raise people's level of income. That is incredibly hard. And I believe it's not impossible, it's something that we can do and that we should do.

"Instead, we assign a mission to the Office of Elections, give them 25 percent of the resources that they're asking for, they're already telling us what they're going to need to support this and we can't even deliver on what they're asking for already. That's not a good sign for this, Mr. Speaker.

"Going back to the issues related to the failure to re-open the polling places that were closed in the past couple elections. We saw a dip in voter turnout this last election. That seems to coincide with closing polling places, and nowhere did we go back and say, okay, we're fully funding these polling places, making sure that they're open. And at the very least maybe even expanding the number of polling places we have throughout the state.

"There are many things that we can do, that we're simply not doing. Mr. Speaker, I think the reasons to be opposed to this measure have already been stated very clearly. That this is an issue that we need to revisit, and not move forward with something that we already know is severely underfunded, that the Office of Elections and those who are going to be tasked with the mission of carrying out have already said there are serious problems with this bill. And looking back at the past elections that we've had, not even being able to get access to the people who are currently registered to vote. Not even being able to supply them with the necessary ballots to vote, I think should give us very good reason to pause, Mr. Speaker.

"With that, I would like to adopt the words of the Chair of Consumer Protection, the Vice Chair of Judiciary, the words of the Minority Leader, the words of the Representative from Kauai, and I would like to go ahead and adopt the words of the Chair of Tourism, Mr. Speaker. I appreciate it Mr. Speaker, and I just think that this is a little premature and we need to revisit this, Mr. Speaker. And for those reasons, I'm opposed," and the Chair "so ordered." (By reference only.)

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

"Mr. Speaker, in support, and I call for the question."

At this time, Representative Wooley called for the previous question.

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

"I stand in support with slight reservations and if I could have the words of the Representatives from Moanalua as well as Waikiki inserted into the Journal as if they were my own. Thank you," and the Chair "so ordered." (By reference only.)

Representative Fukumoto rose to respond, stating:

"Thank you, just in brief rebuttal, I wanted to correct a few things that were said earlier. Electronic poll books are a huge jump. I think we've talked a lot about the trouble that we've had with the Office of Elections in the past. So I won't go further into that. I do think that if we're going to transition to electronic poll books, that is going to help a lot, but we need to make sure that the Office of Elections is going to be able to do that first. And I think this measure for that reason, is one, premature.

"In regards to other states having implemented these laws, most of the states that implemented these laws, at least some of them, have more stringent voter identification laws. Now, I am not necessarily a proponent for voter identification in every single case, but if you're going to do something like this and have people register on the day of the election, you need to have something in place, more so than just an affidavit that causes a class C felony. You need more than that to make sure that people are voting where they're supposed to be voting, and not voting more than once. I understand that voter fraud is not that prevalent, but if you have even one problem with this system, then doesn't that really compromise the integrity of what we're supposed to be doing as legislators and as citizens of the United States in voting.

"In just a couple of places that were mentioned previously, in Montana, Election Day registrants who are unable to meet the voter ID requirements have to provide a provisional ballot, which means it's put on the side and then people decide later, they have to double check and actually see their ID at a later date. So maybe they didn't bring it with them to the polls, but they need to confirm that they do in fact live there. Wisconsin and Wyoming have the same requirement.

"Minnesota doesn't have that requirement and they don't have the same voter identification laws, but they do run the data by the Division of Vehicle Services, the Social Security Administration, the Department of Corrections, and the Department of Public Safety. Those are a lot of checks on just making sure that a person lives where they say they do. Fine, other people can contest it, but at a certain point that's going to look like bullying, if people are just continuing to contest whether or not people live there. It might be easier to just put into this law of things that state that we need to just have some checks and balances and some sort of proof of residency, at least on the day of the election.

"The other thing that I do have concerns about is that proponents continue to insist that we are requiring ID or proof of residence, and that in doing that we're ensuring fairness. But this bill doesn't actually require any proof of eligibility. Previous versions did, but this one didn't. So any claims to that fact is actually misleading. That is not what we're voting on right now.

"Additionally, \$100,000 is clearly not enough, as the Representative from Waianae mentioned. Again, those points were previously incorrect when they were made. Clearly, all this to say, clearly there's a lot left to be clarified about this measure and it's our job to make sure that when we pass these bills, we know and understand what they mean, because it's our responsibility as Representatives. We should not be so cavalier as to be saying that we are experimenting with the State of Hawaii and the democratic process. This is not an experiment, we should be sure that we know what we're doing when we pass these laws. There is plenty of time."

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

Representative Fukumoto continued, stating:

"Sorry, first time. And when we pass these laws, we need to be sure that we know what we're doing, and that's all I'm saying. We have plenty of time to revisit this later and I think for those reasons I am going to change my vote from a reservations to a no. We have lots of time to find a better way to do this and this is not the way. Thank you."

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

"Thank you, Mr. Speaker. In opposition. I want to make it very clear that I want to commend the author of the bill. It's a noble effort, at least he's

trying to solve the problem. However, I have some issues with the measure, and it goes just back to what my dad would always tell me. He said, 'son, before you try to craft the solution, make sure you identify the problem.' Mr. Speaker, I don't know if this is going to solve the problem.

"We give the people of Hawaii every opportunity to make it easy to vote. We give them time off from work, so they can go down to the polls and vote. We'll mail their ballots to their houses. On the KIUC elections on Kauai, every ballot is mailed to a resident, every ballot is mailed to your home, and yet the voter turnout and the people that actually vote, is dismally low.

"So, I commend the author, I just differ in opinion on the issue. I think where we've got to start is with the *keiki*, Mr. Speaker. I think the foundation is that we give the *keiki* the tools and we give them the knowledge about the importance of civic responsibility, Mr. Speaker. Kids Voting does a wonderful job. Every school that participates, that's the next generation of voters. I'm pretty sure the voter turnout is going to be increased, especially as these kids get to voting age.

"Mr. Speaker, earlier in this session we had a great bill, we had a great bill to let the kids vote on the state instrument, and that bill died, Mr. Speaker. But that's how we can solve the problem. We solve the problem by getting the interest in our *keiki*. I think that's the solution. I have severe reservations, and that's why I'm in opposition to this bill. Thank you, Mr. Speaker."

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

"Mr. Speaker, in support. I just want to say something briefly because I don't want to give any impression that I support some of the statements made by the Representative from Laie. I do not believe that people who don't vote are because of economics, or I don't believe that people who don't vote is because they're poor and uneducated. I find that very offensive."

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

Representative Souki rose to a point of order, stating:

"Mr. Speaker, point of order. I believe that we've had sufficient discussion on this item. The hour is getting late and I think that we, those who are in favor of it and opposed, I think their positions are made. So let's get on to the next item please."

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

Representative Oshiro's written remarks are as follows:

"Mr. Speaker, I rise in opposition to this bill. I am gravely concerned that the bill, as presently drafted, does not provide adequate resources to implement election-day voter registration in a manner that ensures the integrity of votes, ballots, and elections.

"The Office of Elections testified that if the scope of the bill was narrowed to apply only to late voter registration at absentee polling places, the estimated costs per election cycle would be approximately \$100,000. However, if the bill would allow for election day registration at all polling places, additional staff and equipment at all polling places would be needed raising the total amount to over \$400,000 per election cycle.

"The breakdown of their estimate is as follows:

ITEM	COST
284 Election Officials (City and County of Honolulu)	\$99,400
50 Telephone Operators (City and County of Honolulu)	\$17,500
90 Election Officials (Neighbor Islands Counties)	\$94,500
140 Computers	\$56,000
140 Software Licenses	\$35,000
140 Cable/DSL Modem	\$7,000

Technical Support to Install, Monitor, and Troubleshoot Server Connection	\$70,000
140 Copiers/Printers	\$28,000
TOTAL	\$407,400

"The bill before us only authorizes a General Fund appropriation of \$100,000. How are the 187 polling sites supposed to implement election-day registration if they are understaffed and are not provided the tools needed to register voters?"

"And this does not even account for the number of additional ballots the Office of Elections will need to print and deliver to each polling site to accommodate the number of voters who will register on Election Day. This point was raised by the Representative from Waiānae in greater detail, and I would like to incorporate her words as if they were my own.

"While I understand the need to encourage voter turnout at elections, this bill is not the singular answer. In order for people to vote, they must be assured that their vote will matter. Part of what is needed is for people to have confidence in the system. If the last election was any indication of people's confidence in Hawaii's election system, it is shaky at best. People waiting hours to vote. People not knowing where to vote at. Polling sites eliminated due to funding cutbacks. Polling sites not having enough ballots. These are all reasons why people do not vote. And if we approve this bill, we will be making a bad situation worse by raising the public's expectations without providing the resources necessary to get the job done.

"For these reasons, I oppose this bill."

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

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

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

Representative Cullen's written remarks are as follows:

"Mr. Speaker, I support this measure because it allows everyone the opportunity to vote on Election Day.

"My reservations lie in the possibility of voter fraud. Past elections have displayed many faults on Election Day. Mr. Speaker, in my district we were short ballots. I know this personally because I was the last to vote at my poll after 7 p.m. because I waited for more ballots to be delivered.

"Mr. Speaker, in summary, my reservations are: 1) The possibility of fraud; 2) The ability of the precincts to properly plan for the amount of people who want to register to vote; and 3) If we want a proper way to get people to vote, not just register to vote, we need to be more creative."

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

Representative Carroll 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 Carroll's written remarks are as follows:

"Thank you, Mr. Speaker. I am in support of the intent of HB 2590, which appropriates funds to allow voter registration at absentee polling places beginning in 2016 and late voter registration, including on Election Day, beginning in 2018. However, I have reservations regarding the added

responsibilities this measure puts on the various state offices that handle voter registration and election processes.

"The County Clerk's office has also expressed concerns with this bill. They are concerned about the 'registration clerks' (noted in Section 1) that would be recruited, trained, and assigned to polling places by the Offices of the County Clerks. Statutorily, the Office of Elections is responsible for Election Day polling place operations. On Oahu, the effort occurs directly, on neighbor islands, it may occur with the assistance of the County Clerks. While the County Clerks are statutorily responsible for voter registration processing, the County Clerk's office believes that recruiting, training, and assigning a dedicated volunteer official for each polling place (that reports directly to Office of the Clerk) runs counter to existing statutory responsibilities and the chain of command on Election Day.

"This new requirement would also be a significant fiscal mandate for the counties for recurring expenses such as equipment, payment of volunteer stipends, phone support center costs, and for the full time staff member that would be hired to coordinate the effort. There currently is no firm cost estimate for this 'voter registration official' operational component, but the County Clerk's office believes it would run in excess of \$190,000 each election cycle. There is also the cost of roughly \$35,000 for administering the same day registration early voting activities. If the 'sunset' provision for the amendments to Chapter 15 is not intended as a repeal of same day early voting activities after the 2016 elections, then this new mandate would also need to be made a reimbursable expense under HRS§11-184 to address the recurring costs to the counties.

"Mr. Speaker and distinguished Members of this Body, this measure will cost the state more than the current election process and could potentially complicate elections. I urge everyone to please take careful consideration of this bill and to note my reservations on HB 2590. Thank you."

Representative Hashem 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 Hashem's written remarks are as follows:

"I would like to thank the introducer who made a great attempt to increase voter turnout in Hawaii. I support the underlying measure, but my reservations stem from the changes that have been made from the original version of the bill. The original version of the bill had protections in place, i.e., required voter identification and provisional voting. These protections have been stripped in the version that is before us today. Furthermore, the national Help America Vote Act of 2002 has provisions to prevent voter fraud. I would like to quote the federal statutes.

"Provisional Voting:

'(a) PROVISIONAL VOTING REQUIREMENTS.—If an individual declares that such individual is a registered voter in the jurisdiction in which the individual desires to vote and that the individual is eligible to vote in an election for Federal office, but the name of the individual does not appear on the official list of eligible voters for the polling place or an election official asserts that the individual is not eligible to vote, such individual shall be permitted to cast a provisional ballot as follows:..'

"Identification requirements:

'(A) IN GENERAL.—An individual meets the requirements of this paragraph if the individual—

(i) in the case of an individual who votes in person—

(I) presents to the appropriate State or local election official a current and valid photo identification; or

(II) presents to the appropriate State or local election official a copy of a current utility bill, bank statement, government check, paycheck, or other government document that shows the name and address of the voter; or.. '

"These provisions have been deleted from the original bill and this is where I have reservations, Mr. Speaker."

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

Representative Ichiyama's written remarks are as follows:

"Thank you, Mr. Speaker. I respectfully rise with reservations on HB2590. I absolutely support increased voter registration and I have always encouraged members of my generation, the most underrepresented generation in the electorate, to register and to vote. I also support voter registration at absentee polling places, to give members of public another opportunity to make their voice be heard. My reservations on this bill are about the same-day voter registration on the day of the election. I have serious concerns about how this could increase negative campaigning, 'hit' pieces, and other 'whisper' tactics. It would also increase the role of money in campaigns and politics, limiting the ability of new candidates to run for elected office. For these reasons I vote with reservations. Thank you very much."

Representative Fale rose to respond, stating:

"Mr. Speaker, second time. Just may I have the words of the Minority Floor Leader, both her first comments and the second comments, be adopted as my own, Mr. Speaker. And my statement earlier, Mr. Speaker, just in brief rebuttal. That that isn't a fact that I made up, Mr. Speaker. That's the truth and reality of it. If we really want to support increasing education and income levels in our community, I think that's something that deserves and merits our focus and effort to help raise people's incomes and help increase education. Thank you, Mr. Speaker."

Representative Rhoads rose to respond, stating:

"Mr. Speaker, still in support. I mean if we're going to get to do rebuttals, I'd like to do a rebuttal as well. Thank you. With regard to the, back to the fraud issue, if you look at the way it's currently done, there's plenty of ways to game the system if you want to. So I think we're sort of comparing same-day registration with the way we're doing registration now, and there's plenty of opportunity for fraud with the way we do it now. So, I guess I would just say that when you're looking at and comparing the two, same-day registration, I don't view it as being any more risky than the way we do it now.

"With regard to the universe and how many people are going to vote on a particular day, yes, the Office of Elections needs to take that into consideration. But I would say that currently the universe is not all that clear, because there are people who sometimes vote and sometimes don't, and each polling place needs to have a margin of error, and that's the problem that the Office of Elections had.

"With regards to the esteemed Chair of CPC's concerns, again, I don't know if there's anything right now that would keep a person from registering to vote in more than one state. I'm not aware that there is, so I think it's probably quite possible, if people are inclined to do that sort of thing, they're doing it right now. Thank you."

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

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

At 5:21 o'clock p.m., Representative Yamane requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 5:22 o'clock p.m.

At this time, Representative Ing called for the previous question.

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

"Mr. Speaker, I'll be the last. With reservations. I'd like to say I really enjoyed the debate on the Floor of the House today, being the 59th day, so all of your statements will be recorded in the Journal, and next year when we all get re-elected, you can voice all of your concerns once more to keep everybody honest. 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. 2590, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTIONS," passed Final Reading by a vote of 40 ayes to 10 noes, with Representatives Awana, Fale, Fukumoto, Hanohano, Har, Jordan, Kawakami, McDermott, Oshiro and Tokioka voting no, and with Representative Ito being excused.

Conf. Com. Rep. No. 141-14 and H.B. No. 1714, HD 1, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1714, HD 1, SD 2, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

"Thank you. In support. I'd just like to thank everybody, this is the majority package bill, the Representative from Waipahu for his work leading the effort, and the various chairs. Thank you."

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

"Mr. Speaker, in opposition. Mr. Speaker, just because this seems to be an issue of duplication kind of throughout the state government, where we have a number of offices who are tasked with the same mission. I think we would be more fiscally responsible if we kind of consolidated all these efforts and had it in one central repository, I think it would better serve the people of Hawaii, and save the state money. And with that, Mr. Speaker, I'd like to insert written comments."

Representative Fale's written remarks are as follows:

"Mr. Speaker, I rise in opposition to HB 1714, HD1, SD2, CD1. This measure addresses climate change adaptation by establishing the Interagency Climate Adaptation Committee under the DLNR to develop a sea level rise vulnerability and adaptation report that addresses sea level rise impacts statewide to 2050. Tasks the Office of Planning with establishing and implementing strategic climate adaptation plans and policy recommendations using the sea level rise vulnerability and adaptation report as a framework for addressing other statewide climate impacts identified under Act 286, Session Laws of Hawaii 2012. Appropriates funds for staffing and resources.

"Mr. Speaker, I cannot support this measure because it represents a duplication of State of Hawaii resources. The various departments that are mentioned in this bill have both received monies in the past and recent legislative sessions. Therefore, there needs to be a reigning in of spending that has already been done to accomplish the same purpose of this bill. I believe that this bill is unnecessary.

"For these reasons, Mr. Speaker, I rise in opposition to HB 1714, HD1, SD2, CD1."

Representative Lee rose to respond, stating:

"Thank you, second time, in support still. I'd just like to note what this bill does is consolidate accountability for climate change, put it in one office. Takes responsibilities that are divvied up between multiple agencies, departments, and levels and government, and puts them in one place.

"Sea level is rising 1.5 to 2 millimeters every year, and that's happening right here, right now. Our beaches are eroding, people are losing their

homes, temperatures are rising faster than ever before, our rainfall is diminishing, and droughts are increasing. And all of this is happening and being measured right here in Hawaii, right now. The science is in, 99.99 percent of all peer reviewed climate science concludes that climate change is happening and is primarily caused by human activity. And that's going to have a profound effect on Hawaii, on our beaches, on tourism, on our water supply, and fundamentally on our way of life in the future.

"There's nothing we can do in Hawaii on a global scale to stop this from happening, but we can adapt to it. So despite these facts staring us in the face, we can continue to live in denial and leave it up to our next generation to solve, or we can take responsibility and begin planning to adapt to the changes we know are coming, and whose effects we're beginning to feel today. And we can do that now, because if we start now, we will save hundreds of millions, billions of dollars, adapting to the changes coming. It is the responsible thing to do. It is the right thing to do. I thank you all for your support."

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

Representative Lowen's written remarks are as follows:

"This bill funds an interagency effort to plan for climate change impacts like sea level rise, changing rainfall patterns, and bigger storm events. Climate change impacts like these are already occurring and are projected to increase in coming decades. Planning in advance will help the state to be prepared and will save taxpayer dollars in the long term."

Representative Fale rose to respond, stating:

"Mr. Speaker, still in opposition. The problem with the bill is that it doesn't, we have already allocated a number of resources in financing to other departments. That doesn't bring back in those financial resources that have already been sent out. So this essentially will do this, but it doesn't bring in the financing that we've already delegated for those specific purposes.

"So, Mr. Speaker, if this measure actually brought in those resources and saved the taxpayers money in that regard, Mr. Speaker, I guess maybe my position on the bill would change. But this measure still fails to pull in those resources, which means we're still spending on duplicative efforts, Mr. Speaker. And for those reasons, I'm still opposed."

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

"Thank you. Strong support, Mr. Speaker. I would like the words of the Chair of the Energy & Environmental Protection Committee entered into the record as if they were my own. And I believe the resources do carry forward with the agencies that already have them. This is about future funding.

"But more importantly, Mr. Speaker, in my district we have one highway, like many other places in this state, that runs along the ocean, Mr. Speaker. And one inch of vertical rise, Mr. Speaker, especially coupled with a storm event, could lead to our only transportation system being wiped out forever. That's why this is really important to get centralization, coordination, especially for these regions in the state that have this road arterial connection along the coast that could be in the next 10, 20, 30 years, gone or jeopardized forever. 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. 1714, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CLIMATE CHANGE," passed Final Reading by a vote of 48 ayes to 2 noes, with Representatives Fale and McDermott voting no, and with Representative Ito being excused.

Conf. Com. Rep. No. 142-14 and H.B. No. 1943, HD 2, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1943, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

Representative Thielen's written remarks are as follows:

"I co-sponsored and support HB 1943, Relating to the Modernization of the Hawaii Electric System. HECO, and other utilities, must modernize their grids or cease to be relevant. Battery storage for solar power is on the horizon and Tesla Motors plans to build a 'gigafactory' for battery production indicating that customers may soon eliminate their dependence on the grid. Battery storage could be cost competitive to the grid in many states and the price of storage will decrease further as more people elect to go off-the-grid. Here in Hawaii, HECO's current grid framework will create long term tension when increased rates are spread among the dwindling customer base as more people opt for battery storage. Disconnecting may be risky, but Tesla is also working on a monitoring system that will trigger a battery swap if the power level in the battery becomes depleted.

"On April 29, 2014, the Public Utilities Commission issued four separate rulings requiring HECO to reduce electricity cost and incorporate renewable energy. Specifically, the rulings mandate that HECO develop action plans to reduce energy costs, embrace emerging technology needed to incorporate green energy into the grid, and improve the integration process for consumers using photovoltaic energy. Given battery technology, the demand for solar power, and astronomical utility rates, the utility should modernize its grid and I can fully support HB 1943."

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

"Mr. Speaker, in opposition. Mr. Speaker, the main reason why I'm opposed to this is that this does not take into account and it doesn't approach the communities in regards to the modernization of our electric system, where it dumps a whole bunch of resources and effort into renewables, which is a good thing, Mr. Speaker. But as we've seen in communities, like mine out on the North Shore, that the impact on the communities is not relayed or communicated to those communities. So even though it is a good thing, it's being imposed on people without their consent or their input on how that is going about.

"So, Mr. Speaker, because I would highly urge this Body to be more cognizant of the impact that measures like this will have on communities like mine, Mr. Speaker, I am opposed to this and would like to see that addressed. Thank you, Mr. Speaker."

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

"In support, very briefly. Just like to note that this is not about imposing anything on any community. In fact, this is about resolving an issue where you have a grand swell of support from communities wanting to adapt to the 21st century grid and create their own alternative energy and use that in the form of solar panels and other alternatives that they can use on their own homes to save money.

"And right now, there's no process in place to regulate who can connect and in what time frame, and what those costs are going to be. And that's left completely up to the utility at this point. So this puts in place a regulatory process through the Public Utilities Commission to make sure as people want to connect and save money themselves that they aren't going to be left in limbo like many have been, to the tune of tens of thousands of dollars sitting dormant while their utility bills continue to rise, and while they are unable to connect those projects to the grid. Thank you."

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:

"This bill will give a much needed push to our utility companies to undertake grid modernization. In recent years, due to an aggressive renewable energy policy by the state, we have seen rapid growth in renewable energy and in rooftop solar systems in particular. This growth in intermittent, distributed energy sources, has strained grid infrastructure. However, outdated grid technology should not stand in the way of customers being able to invest in renewables. The old model of a central, regulated utility is becoming obsolete, and the utilities have been slow to take steps to adapt to these changes. This bill will encourage these changes so that we can continue to reduce our dependence on imported oil and move towards our clean energy future."

Representative Fale rose to respond, stating:

"Mr. Speaker, just in rebuttal. What this measure does in addressing the portfolio of renewable energy resources, I'll just relay a direct quote from a member of my community. 'Don't let Honolulu bulldoze over us.' Mr. Speaker, we need to further integrate the comments, the concerns of small communities. This is a small community out in Kahuku. This is a small community out on the North Shore. And they feel like they have been bulldozed over in regards to the energy policies that we're pursuing without their input.

"It's good, it's great, just make sure that we're talking to the people that are going to be directly impacted by what this results in, Mr. Speaker. And that's the only concern."

Representative Lowen rose to respond, stating:

"Thank you, Mr. Speaker. Still in very strong support. Just really quickly, I feel that this bill does address the concerns of my small community, where in a lot of neighborhoods the grid is saturated and people want to install rooftop solar and cannot because they're told that would create unreliability on the grid. And I think we know the future structure isn't going to be a centralized utility. We have to accommodate more distributed generation. We need to be able to move forward with more renewable energy for this state and be able to have a system that's fair for ratepayers as well. And I think this is a step in that direction."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1943, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE MODERNIZATION OF THE HAWAII ELECTRIC SYSTEM," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 143-14 and H.B. No. 1652, HD 1, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1652, HD 1, SD 2, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

Representative Choy's written remarks are as follows:

"Mr. Speaker this is a good plan which probably will be not appreciated by anyone working in government service. Thank you."

Representative Tsuji 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. 1652, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HIGHER EDUCATION," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

At 5:33 o'clock p.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 2583, SD 1, HD 1, CD 1
S.B. No. 2315, SD 1, HD 1, CD 1
H.B. No. 2590, HD 1, SD 2, CD 1
H.B. No. 1714, HD 1, SD 2, CD 1
H.B. No. 1943, HD 2, SD 2, CD 1
H.B. No. 1652, HD 1, SD 2, CD 1

At 5:33 o'clock p.m., Representative Saiki requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 5:37 o'clock p.m.

At this time, the Chair stated:

"Members, top of page 24, Conference Committee Report Number 144-14, will be deferred one legislative day.

"Members, if you can please turn to page 17, Conference Committee Report Number 82-14, will be deferred one legislative day."

Conf. Com. Rep. No. 144-14 and H.B. No. 2434, HD 2, SD 2, CD 1:

By unanimous consent, action was deferred one legislative day.

Conf. Com. Rep. No. 82-14 and S.B. No. 3065, SD 1, HD 1, CD 1:

By unanimous consent, action was deferred one legislative day.

Conf. Com. Rep. No. 145-14 and H.B. No. 1671, HD 1, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1671, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative Cabanilla.

Representative Kawakami 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 Kawakami's written remarks are as follows:

"Mr. Speaker, as a former council member I understand the importance of supporting our counties with a portion of the TAT. They provide tremendous services that support our visitor industry by providing public safety services such as police, fire, and water safety. Furthermore, parks, roads, water, and various other infrastructure services are partially subsidized by this means of funding.

"Mr. Speaker, the latest draft of HB 1671 does not reflect the intent of our original position of completely lifting the cap and sending more revenue to our counties. I would like to add the original quote from a speech given by my uncle Richard Kawakami on his opening day speech as Speaker of the House in 1987, 'Last session we made history when we passed the hotel room tax. This year we must follow with provisions which permit some of these revenues to be appropriated to support the visitor industry and our four counties.' Mr. Speaker, the intent that he had back then is the same intent that I carry with me today."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1671, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TRANSIENT ACCOMMODATIONS TAX," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 146-14 and H.B. No. 1692, HD 2, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B. No. 1692, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TOURISM," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 147-14 and H.B. No. 1638, HD 2, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.B. No. 1638, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE JUDICIARY," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

Conf. Com. Rep. No. 149-14 and H.B. No. 748, HD 2, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 748, HD 2, SD 1, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

Representative Thielen's written remarks are as follows:

"I support HB 748 as long as the definition of 'agriculture enterprise' is not expanded to include programs such as windmill farms and similar ventures unrelated to agriculture.

"As per Hawaii Revised Statute Section 163D-2 the definition of 'agriculture' means 'the production for marketing and exporting of plant and animal life on land and within ponds and other bodies of water for food, fiber, and any agricultural enterprises organized for the production of agricultural materials.'

"Additionally, as per the same statute, 'enterprise' means 'a business with its principle place of business in Hawaii which is engaged in crop development, development of new value-added products, enhancement of existing agricultural commodities, and the application of agricultural appurtenant facilities to productive uses.'

"I interpret HB 748 to not expand the definition of 'agricultural enterprise' to include businesses unrelated to the production of crops and other materials coming from the land and water. Nowhere in legislative history, or discussion, has an 'agricultural enterprise' been interpreted to include windmill farms, or similar ventures. Therefore, I can support the HB 748."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 748, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT PROPOSING AN AMENDMENT TO THE HAWAII CONSTITUTION TO AUTHORIZE THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST AGRICULTURAL ENTERPRISES," passed Final Reading by a vote of 50 ayes, with Representative Ito being excused.

At 5:40 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 5:42 o'clock p.m.

At 5:43 o'clock p.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 1671, HD 1, SD 1, CD 1
H.B. No. 1692, HD 2, SD 2, CD 1
H.B. No. 1638, HD 2, SD 2, CD 1
H.B. No. 748, HD 2, SD 1, CD 1

END OF CALENDAR**UNFINISHED BUSINESS****Conf. Com. Rep. No. 87-14 and S.B. No. 2470, SD 1, HD 1, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 2470, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative Cabanilla.

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

"Thank you, Mr. Speaker. I rise in support with reservations. I want to preface my remarks mainly by stating that I really do appreciate the hard work of all of the chairs who had to struggle, and I know that they did struggle with this. This is a difficult federal mandate placed on them, and I think they worked creatively and thoughtfully to try to address how our connector achieves sustainability.

"My reservations and my vote is in support of their work, and more of an affirmation of not only their work, but also the importance of preserving the Hawaii Prepaid Health Care Act. I do accept the premise that in order to ensure that one of the ways in which Hawaii has led the nation in healthcare and in ensuring not just quality insurance, but also access to insurance, is so fundamental to our state and so important to preserve.

"Although I find that sometimes federal mandates are often inflexible, and unfortunately Hawaii finds itself in the position of having to comply with an inflexible federal mandate that does not necessarily account for all of the progress that we've made, which is why we continue to have problems with our health connector, because there isn't the same kind of demand or market because of our high rates of already insured.

"I do, again, believe that I think this measure is important. Even though I'm not necessarily in love with the measure, it is important to ensure the preservation of our Hawaii Prepaid Health Care Act. Again, I do appreciate the work of the chairs. I think in continuing the Health Chair's mantra for the day, I do also view this bill as lemonade. And as such, even though I do have my concerns over some of the federal mandates and their potential negative ramifications on our existing system, I will be voting for this measure in support with reservations. Thank you."

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

"Thank you, Mr. Speaker. In support, strong support. And I want to thank the Health Chair and the CPC Chair for their diligent work, from where we were in the beginning of session, struggling to just get accountability from the health connector to where we are now. It's because of the efforts that these two put in, and they worked tirelessly. I know for a fact they had numerous meetings with not just the connector, DHS, the stakeholders, in crafting the bill you see today.

"In the beginning of session we didn't even have an idea of what the connector drew down from the federal government and what they could still draw down, what they did, what are the different contracts. And they somehow were able to navigate through all that, find the answers, figure out a good compromise, and through this bill it's going to at least provide accountability in a scaled down model so that they can continue the discussion next year. I can't say enough how much work they put into it, and my heartfelt gratitude for everything that they have done. Thank you."

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

"Thank you very much. I speak in favor of this measure. The only concern I have, a minor reservation, is that I think we need to be careful as we proceed with the connector and that to be sure that the funding that's available won't damage the connector from doing its work in providing the health services to the people.

"Now, in regards to the prepaid medical plan. Yes, it was probably a very novel, and one of the leading medical plans in the nation. However, it wasn't a perfect plan. Employers now are paying almost 90 percent of the

plan. And some employers are saying that we want to look at the connector and the Obama plan, as it's less expensive. Through ERISA, they have continued to raise the contribution from the employer. Because of that they are trying to find ways to cut their cost down, and that means allowing people to work less than 20 hours a week, because their medical cost is so high.

"So there's times sometimes even a good item can turn bad. And so, I would look carefully as we move along on both plans. Thank you very much."

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

"In support with slight reservations, and if I could have the words from the speaker from Moanalua inserted in the Journal as my own," and the Chair "so ordered." (By reference only.)

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

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

"Thank you, Mr. Speaker. Ruling on a potential conflict of interest. I'm a broker of health insurance," and the Chair ruled, "no conflict."

Representative Takai continued in support of the measure with reservations and asked that the remarks of Representatives Souki and Johanson be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)

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

"Mr. Speaker, I rise in opposition. I said earlier that democracy is self-correcting. The pendulum goes one way or the other, and I think when we make a mistake in democracy like when we didn't have women's voting, *et cetera*, we have to admit, 'hey, we made a mistake.' This is a \$205 million mistake, and we don't seem to think that means anything, but that's real money. Just because it's federal money doesn't mean that we don't pay. One of the biggest things out of our paycheck is federal withholding.

"So, Mr. Speaker, we're living in a little bit of a denial here, thinking that, well, we're going to make it work. And I know we're between a rock and a hard place, because we're saying if we don't do what we're doing in this bill, we're going to lose our exemption and prepaid is going to go out the door. That is a very serious proposition. But, Mr. Speaker, I would hope if this bill passes that we would have federal assurance, our national delegation would say, hey Hawaii, don't worry anymore. Even though they've been talking for five or six years, we are going to be exempt, our prepaid is going to be in place.

"Mr. Speaker, we keep twisting the public in the wind as to what healthcare is going to be, what it's going to cost. And as the Speaker said, hey there's some people projecting that if you're an older worker, you're probably not going to be hired because it's going to cost more to fund your medical program, and if you're a younger worker, we may cut back on your hours so we don't have to pay medical.

"Mr. Speaker, this is a very confusing issue. But the fact that they've spent \$50-some million on a website that has only registered 8,000 people. I mean, duh. That is government at its worst. Case in point is in my district, we spent four years fixing a public restroom at Maunaloa Bay. It makes us all look like we don't know what we're doing.

"And when you get \$205 million, and you can't set up a website to attract the 50,000 people that you were supposed to attract, I'd say we have to be honest with ourselves. There's got to be a better way to do that. American pragmatism has to kick in. We have to face the reality that what's going so far is not working. I know we can't do what Oregon did and just kind of kicked in and say, okay, we give up, we'll let you feds take

over and it will be much less cheap. Because the stakes are too high if we lose our prepaid.

"So, Mr. Speaker, if we have a delegation, if we have representation, if we have a bill that's sound, we can, after this session, say to the people of Hawaii, 'yes, this is your healthcare. Yes, it's going to be prepaid. Yes, we have an exemption.' If this bill doesn't pass and the money keeps going without any sustainability, we are in deep trouble, Mr. Speaker. So yes, let the pendulum go back, but let us be realistic about what we should do with the taxpayers' money. This is a very serious issue, and healthcare is of preeminent concern for everybody. Thank you."

Representative Cullen rose in support of the measure with reservations and asked that the remarks of Representative Souki 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 a no vote for her, and the Chair "so ordered."

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

"Just a ruling on a possible conflict. I own a medical diagnostic clinic that accepts all kinds of insurance," and the Chair ruled, "no conflict."

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 rise in opposition to SB 2470, SD1, HD1, CD1, 'Relating to the Hawaii Health Connector'.

"After the adoption of the Obamacare Act, the State of Hawaii developed a plan of action in creating the Health Connector whereby trying to enroll about 140,000 new applicants into the Federal Health Insurance Coverage for those who were uninsured. Requesting over \$200 million from the federal government and drawing down close to \$150-plus million so far has not proven to be a financial bonanza but more a 'BUST', whereby as of April 30th, 2014, only 8,000 enrollees have been processed.

"Discussion occurred that the connector would need 10s of millions of dollars to continue on the program, but in the conference draft only \$1.5 million has been appropriated. Was it a signal of a weak support of the continuation of the program? Can the members of the connector meet the requirements of the conference draft with a sustainability master plan; financial audits of how monies are spent; appointment of new oversight committee membership; a three year budget projection, and etc.?"

"To me, it is unrealistic to achieve the goals that are stated in the conference draft and it seems that the conferees did their best with the limited information shared by the executive director. It is for these reasons I am opposed to this measure. Thank you Mr. Speaker."

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

"Thank you, Mr. Speaker. In opposition. First I'd like to thank the Chair of the Health Committee, as well as the Chair of the CPC Committee. I know they have slugged this out to the best that we can get. We started this session with very little information on this, we have a lot more than we had starting in January. I don't think we have enough at this point in time, and I don't think we can squeeze that information out before our deadline, which is Thursday, unfortunately.

"This is a huge mess. This is a nonprofit organization, which we can't control. We have a population of 1.4 million people. Our Prepaid Health Care Act that we enacted in the 1970's has proven what we can do. And we've set the example for the United States. Unfortunately, when you try to create a connector here in the State of Hawaii, it doesn't work, when we have a prepaid health system that works so well.

"Currently on our Medicaid rolls, as of last week, 340,000 individuals on our Medicaid. So, the numbers were, we were looking for 100,000 people. So if I take 1.4, take away the 300,000, that's 1.1 million. So we're looking for less than 10 percent of our populace that could be run through this system. Of that, at least 50 percent of them would qualify for Medicaid. Then we add into the mix, we have two king fish in this state that provide most of our health insurance. None of the little guys want to come because it's not profitable for them, and you don't want to use that word profitable when we're talking about health insurance or medical needs. But at the end of the day, this is what we're talking about.

"So we all know, and this has been derived through several informational briefings our House, as well as the Senate, has had. This will never be profitable. First it was \$15 million then it was \$10 million then it was \$8 million then it was \$4.7 million. Well, we funded that at \$1.5, and we all know that's not going to work. They're going to run out of money. We all know they had \$205 million worth of grants. They've only pulled down \$110 million. They asked for an extension because you need to pull them all down by December 31st. That wasn't granted.

"They haven't completed building their system. They finally had a meeting about two weeks ago, decided the eligibility now will be with the Department of Human Services. We don't have a contract between the Department of Human Services and the health connector, for almost a year and a half. In fact, we don't even have a memorandum of agreement on the \$4.6 million that the health connector owes the Department of Human Services, which we didn't fund with their emergency appropriation.

"So this is all a big mess. And again, I really want to thank those two chairs, because they have done the best they can with what we've got. We're hoping it will get until next year, when we get more information and we can make wiser decisions. We all know we have a new director there. I think he's done a great job at doing the best he can. But at the end of the day, if that nonprofit fails, it will come back to us. So I think some of that deep dialogue needs to be had. We have to make decisions on how we're going to move this forward. And we can't keep funding them, we just can't.

"So I continue to work with the two chairs, and see what's going to happen during the off session as we get more information. And hopefully next year we're going to be able to be doing something for this connector. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. In support, and I hope to be brief. It's no secret that the Hawaii Health Connector has struggled during its first enrollment period, as the federal exchange and other state-based exchanges have struggled. I want to thank my co-chair in this journey, as well as all the committee members who took many, many hours to delve into the work of the connector and to try and fashion a legislative solution. So we truly did, I believe, turn lemons into lemonade.

"We can glean from the preliminary findings of the auditor, who was called before our joint committees, as well the numerous public informational briefings that have been held with representatives of the Hawaii Health Connector and state officials who are deeply involved in the functions of the connector, where there were obstacles and where there continue to be problems. Some of the problem areas include the lack of integrated project schedules, no overarching dedicated project managers at different points in time, the inability to overcome and work through technical challenges presented by integrating our state-based exchange technology with the state Medicaid system.

"So we know where some of these obstacles are. I believe by this bill, we've unearthed those problem areas and we've helped to contribute to the discussion and the health connector moving forward and finding their path forward. Through the hearing process, they were able to provide us, finally, with a sense of what their sustainability plan is. And that's where we derived the \$1.5 million appropriation from. Now is that enough? No. That takes them through the first three months of the year when they can start to draw that down. But I think it's the responsible thing for us to do, because we have to continue to hold them accountable, as we started this session off.

"My hope is that this is a message to them, as well as to the federal government, that we do have some skin in the game, that we are, the Legislature, are willing to come back next session and continue to work with the health connector as it continues its evolution process. But we need this time, and we need this bill to be able to give that signal.

"I'm also very proud of the fact, Mr. Speaker, that we have enacted a number of key health connector reforms, and I'm only going to list a few of them. We have the Legislative Oversight Committee that I believe is going to bring more transparency. We are requiring annual sustainability plans from the health connector. We have numerous board reforms that I hope will overcome some of the challenges that they face, and give us a more streamlined approach to them making decisions that will improve the sustainability of the health connector.

"We've also done something very important, which was to remove the requirement that the Department of Human Services verify for the connector, individuals and children able to participate in subsidized plans purchased through the connector. We know that that's one of the places where there was problems.

"So, Mr. Speaker, I think we've done quite a bit of work, but I think the work will next fall upon those folks who are on the board, who are at the health connector. And I do want to thank in particular, Tom Matsuda, the Interim Executive Director at the Hawaii Health Connector, who has really led the organization through these challenging times.

"Mr. Speaker, I started today talking about turning lemons into lemonade, the limitations of our own legislative power. This bill is what we can do. And in the third theme, which is, there is work to do. And the connector and the Department of Human Service have a lot of work to do. They still need to make the determination of whether the Department of Human Services can take on the responsibility of making advanced premium tax credit eligibility determinations. That has been one of the major flaws in the system at this point, that has created the log jam and delays that have made the user experience unacceptable. Those delays cannot occur again in November of this year.

"If DHS can do this function, then contracts will need to be executed to allow for DHS to be able to make this critical function occur. And we know that there have been problems with the executions of MOA's and MOU's. If the Department of Human Services cannot integrate this service into their software and IT infrastructure, then the connector will have to find another fix to improve the user's experience, so that consumers will stay in the connector, shop and compare, and then actually purchase a plan in the connector and draw down on those valuable tax credits, if they so qualify.

"All of this is a lot of work, and its work that we cannot do, Mr. Speaker. This is the work that I think falls upon the Executive Branch in this government. You know, I'm not going to put any intentions in other peoples head, but if I were Governor, I would make sure that this ACA Task Force is working day and night until November."

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

Representative Belatti continued, stating:

"Thank you, and I'll finish up. I would be making sure that this ACA task force is working day and night, coordinating with all the involved departments, to make sure the contracts that need to be executed are executed, that the conversations that have to occur with the federal government are occurring, and I would not stop. I would make sure my department heads are working with the connector.

"We cannot have another fiasco in November of this year. It is too critical. It is too important to the Prepaid Health Care Act. Mr. Speaker, I think we're going to be here back again, and I hope to be back here again to continue to work on this problem. For those who oppose this bill, and say let's do nothing, the federal exchange cannot harmonize. They cannot and are not obligated under the ACA, to harmonize the provisions of the Prepaid Health Care Act and the Affordable Care Act.

"So until that time that we can get a state innovation waiver, until we can do that, we need to continue to support this health connector, continue to help it evolve. And one more thing that I would do if I were Governor, that State Innovation Waiver Task Force that we mention in House Bill 2581, they need to start working tomorrow. They need to be working on our innovation waiver plan tomorrow, if they have not already started doing it. There's a whole list of things in the Affordable Care Act that is required to get us out of this mess.

"And so, Mr. Speaker, in support of both this bill and House Bill 2581. I thank all of the Members who worked on this, and all of the staff members, and all the good folks on the connector, and in the state agencies who are moving this effort forward. Thank you."

Representative Fale rose to respond, stating:

"Mr. Speaker, still in opposition. Mr. Speaker, I agree with the previous speaker. We cannot afford to have a disaster this November. And I'm looking forward to making sure that we can do whatever we can to fix this issue. Because this is actually closer to a \$300 million problem, Mr. Speaker, because we brought back the same contractor who fumbled the \$90 million project for the Department of Taxation to do this project. So they failed us the first time, and now we brought them in to do the second one.

"Mr. Speaker, I would have liked to have seen a measure that we had in the past, Mr. Speaker, that would have taken into account the performance of past contractors or vendors before we employ them to do another job for the people in the State of Hawaii. And with that, Mr. Speaker, I hope this vendor, this contractor, will never be able to do business in the State of Hawaii until they give better accounting of the \$300 million that they've been given, Mr. Speaker. With that, I'm still opposed."

Representative Ward rose to respond, stating:

"Mr. Speaker, in opposition. Second time, but still in favor of the Prepaid Health Care Act. Mr. Speaker, I want to clarify my pendulum analogy, when I said sometimes democracy as it self corrects, swings from one extreme to the other. The one extreme that I gave first was where we did not allow women to vote. We corrected that, because we saw the damage it was doing.

"So, Mr. Speaker, when we see all of these moving parts and the confusion and the uncertainty, I would think we should be, and if I was Governor I would call the ACA to speak like Harry Truman. Speak directly to the people of Hawaii. We are exempt, we're not exempt, well we said this, we don't know that, but here's the costs, or here you're going to be able to keep your doctor, you're going to be able to keep your plan. Mr. Speaker, if this Body is all over the place, which this bill shows, imagine where the people are. How do they understand the Affordable Care Act?"

"We need to move, but we're between a rock and a hard place. And we have to remain practical, if we've got 8,000 people for \$200 million, can you imagine what this is going to cost unless we really react pragmatically and adjust to the reality of what we are doing. For that reason, Mr. Speaker, I have confidence that this, if it does pass, will straighten something out, but we have to get on with it and be very straight with the American people, particularly with the people of Hawaii. We have the Prepaid Health Care Act, which has worked very well for us so far. Thank you."

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

"Thank you, Mr. Speaker. First of all, may the words of the Representative from Waianae be entered into the Journal as my own. I would also like to adopt the words of the Chair of the Health Committee as my own. And let me go on to also extend my appreciation to Tom Matsuda, who took a leave from his post in the Governor's Office, I think as a special policy assistant, to go and help the health connector which is a not-for-profit corporation, running the health exchange. He's done a remarkable job given the task that was presented to him on all the

obstacles, and all the prior bad decisions that were made before he got there. So he's doing an admirable job.

"This is in opposition. And I need to explain why I'll be adopting the words of the Chair of Health. Both the Chair in the Health Committee and the Chair of CPC were dealt bad hands at the beginning of the session, Mr. Speaker. I think all of us realized that, as we came into this session. They were facing insurmountable issues of where is the connector, what decisions have been made, and not getting straight, firm, clear guidance from the Executive Branch.

"We've heard many, many times from I believe it was the Transformation Coordinator, Ms. Beth Giesting, who was the point person, along with the Department of Human Services Director, along with the representative from the Department of Health, to provide the interface with the Executive Branch and the Legislative Branch on the fixes to the ACA mandate of the health exchange here in Hawaii. And I've spoken up before on Second Reading, and on Third Reading, First Cross, Second Cross, always, always, Mr. Speaker, encouraging my colleagues, because I knew they were dealt a bad hand. And with that bad hand they did the best they could.

"But I think the chair was very honest with us this afternoon, this evening. That truly, the Executive Branch, in the interim, needs to step up, get involved, and drive this thing. And whether it's through the task force or the innovation waiver, they need to get moving on it. That's their responsibility, Mr. Speaker. So in voting no, I'm sending them a message. We'll be watching you, and we'll be waiting for you. But I support my two colleagues here. Thank you."

Representative Har rose in opposition to the measure and asked that the remarks of Representatives Jordan and Oshiro 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. And though while I reach the opposite conclusion of my good friend, the former Chair of Finance, I would like his words adopted as my own, because with those words he speaks volumes to what has been going on in my mind and heart since the very beginning of this.

"Mr. Speaker, let's go back to August when my good friend, the Chair of Manoa here, CPA, cornered me in the mainland going, 'oh my god, what is going on with the connector, it's out of control, what do you plan to do about it?' Mr. Speaker, what was thrust upon us was a biblical nightmare of federal making, and I'm so glad that it's been acknowledged, Mr. Speaker. But at the end of the day, going back with the confusion, the inordinate mismanagement, waste of federal dollars, to do nothing, in my mind, Mr. Speaker, was to bless it. To bless and condone all of the antics, to bless and condone the huge amounts of money, to bless and condone the use of contractors to continue to let things go on as they are.

"Or, we could do a measure to put as most stringent controls as this Legislature could possibly do on a private non-profit to ensure that these acts and mismanagement, wastes of money, contractings, which the good Representative from Laie noted, don't happen again if this is to be a state exchange. Mr. Speaker, I would love to throw my hands up and just say, 'you know what, forget it feds, come on in, go after this little *manini* 8,000 market.' But if we do that, we lose shop, and if we do that we undermine prepaid.

"I know there's certain individuals who, it saddens me, who have disavowed it on the Floor today. However, Mr. Speaker, I maintain that prepaid is something that we should be proud of. Granted, while businesses may just have to pay the 90 percent, we have a minimum wage thing that we've increased today, Mr. Speaker. But if we lose prepaid, Mr. Speaker, we lose basic benefits to our workers across the board. I think that would be more devastating to the economy and to them. So I fight for prepaid, because it gives stability, it's given our workers good insurance, and it's something that has become a reason why. This is why our uninsured gap was so small to begin with. Isn't that worth fighting for?"

"What I want is a Hawaii solution. Let's do the 'if I were.' If I were President, I would have done a Race to the Top type of model. States, here's money, you close your own uninsured gaps using your best methods. If you don't do it, well then we're going to look at restrictions and/or call backs. Because then Hawaii could have done, close this gap in a much more intelligent streamline way. And that's what we're trying to do with this measure, is to return back to that.

"Not only do we have an immediate sustainability plan, we're demanding a three year sustainability plan. We're putting Members of the Legislature and the minority on this oversight committee so they can make sure that what is spoken and what we're trying to achieve does happen. We're running through a 42F process, Mr. Speaker. We're forcing them to not only renegotiate with contractors, but to sell and license the software they have that does work with the shop program to make money.

"Mr. Speaker, in there, we're bringing in PEOs, so that they can claim the credits for their clients to add value for businesses. We're even allowing brokers to come in, in a way that won't add cost to the connector, but will also be able to add more value to plans.

"Mr. Speaker, I guess with the end of the day, I understand people's opposition to the ACA and to what is going on upstairs and everything. But, Mr. Speaker, to do nothing would be to bless a tragedy.

"Again, the state exchange in this measure, while not complete and we have a lot of work to do, at least we maintain control of it. And that's my other fear. If we ditch it to the feds, look what they've vested, gotten us in so far. We're really going to get an answer from them and cooperation in the future? I think not.

"Mr. Speaker, to preserve prepaid, to ensure that we have the control and can make sure that this thing is responsible, as has been cited by so many good speakers, that it doesn't continue to be a non-ending trail of internal conflict, last minute contract revisals, huge consultants being brought in to duplicate positions that are already in the connector. This bill seeks to put a stop to all of that and put a strong chain of controls and to acknowledge the fact that it is a private non-profit. We have put a link in there, that they will not get a penny until they adopt these things into their articles of incorporation.

"Mr. Speaker, I appreciate all the 'no's' and 'reservations' and every comment, because I think we're all coming from the same heart. But at the end of the day, I think that this Body, to the best of its ability, has tried to basically make sure that the sins of the past by actors of the past are not repeated on the future, and so that we can tell our citizens of Hawaii we are doing the best we can under the stranglehold of the federal government. Quite frankly, I would love some federal leadership on this myself. Thank you, Mr. Speaker."

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

At this time, Representative Tokioka called for the previous question.

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2470, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII HEALTH CONNECTOR," passed Final Reading by a vote of 37 ayes to 13 noes, with Representatives Awana, Choy, Fale, Fukumoto, Hanohano, Har, Jordan, McDermott, Oshiro, Say, Thielen, Tokioka and Ward voting no, and with Representative Ito being excused.

At 6:18 o'clock p.m., the Chair noted that the following bill passed Final Reading:

S.B. No. 2470, SD 1, HD 1, CD 1

ADJOURNMENT

At 6:19 o'clock p.m., on motion by Representative Cabanilla, seconded by Representative Fukumoto and carried, the House of Representatives adjourned until 10:00 o'clock a.m., Thursday, May 1, 2014. (Representative Ito was excused.)

HOUSE COMMUNICATIONS

House Communication dated April 29, 2014, from Brian L. Takeshita, Chief Clerk of the House of Representatives, to the Honorable President and Members of the Senate, informing the Senate that the House has reconsidered its action taken in disagreeing to the amendments made by the Senate on April 1, 2014, and gives its notice of intent to agree to the following House Bill:

H.B. No. 1616, HD 1, SD 1

House Communication dated April 29, 2014, from Brian L. Takeshita, Chief Clerk of the House of Representatives, to the Honorable President and Members of the Senate, informing the Senate that the House has reconsidered its action taken in disagreeing to the amendments made by the Senate on March 24, 2014, and gives its notice of intent to agree to the following House Bill:

H.B. No. 2019, HD 2, SD 1

House Communication dated April 29, 2014, from Brian L. Takeshita, Chief Clerk of the House of Representatives, to the Honorable President and Members of the Senate, informing the Senate that the House has reconsidered its action taken in disagreeing to the amendments made by the Senate on March 25, 2014, and gives its notice of intent to agree to the following House Bill:

H.B. No. 2320, HD 1, SD 1

House Communication dated April 29, 2014, from Brian L. Takeshita, Chief Clerk of the House of Representatives, to the Honorable President and Members of the Senate, informing the Senate that the House has this day passed the following bills on Final Reading:

H.B. No. 238, HD 1, SD 2, CD 1
 H.B. No. 452, HD 1, SD 1, CD 1
 H.B. No. 611, HD 1, SD 1, CD 1
 H.B. No. 648, HD 1, SD 1, CD 1
 H.B. No. 737, HD 2, SD 1, CD 1
 H.B. No. 748, HD 2, SD 1, CD 1
 H.B. No. 849, HD 2, SD 2, CD 1
 H.B. No. 866, HD 2, SD 2, CD 1
 H.B. No. 1288, HD 1, SD 1, CD 1
 H.B. No. 1514, HD 1, SD 2, CD 1
 H.B. No. 1539, HD 1, SD 2, CD 1
 H.B. No. 1564, HD 1, SD 1, CD 1
 H.B. No. 1604, HD 2, SD 1, CD 1
 H.B. No. 1618, HD 1, SD 1, CD 1
 H.B. No. 1635, SD 1, CD 1
 H.B. No. 1638, HD 2, SD 2, CD 1
 H.B. No. 1641, SD 1, CD 1
 H.B. No. 1652, HD 1, SD 2, CD 1
 H.B. No. 1671, HD 1, SD 1, CD 1
 H.B. No. 1692, HD 2, SD 2, CD 1
 H.B. No. 1700, HD 1, SD 1, CD 1
 H.B. No. 1702, HD 2, SD 2, CD 1
 H.B. No. 1706, HD 1, SD 1, CD 1
 H.B. No. 1712, SD 1, CD 1
 H.B. No. 1714, HD 1, SD 2, CD 1

H.B. No. 1723, HD 2, SD 1, CD 1
 H.B. No. 1750, HD 1, SD 1, CD 1
 H.B. No. 1752, HD 1, SD 2, CD 1
 H.B. No. 1772, HD 1, SD 1, CD 1
 H.B. No. 1811, HD 1, SD 1, CD 1
 H.B. No. 1814, HD 2, SD 2, CD 1
 H.B. No. 1823, HD 1, SD 1, CD 1
 H.B. No. 1926, HD 1, SD 1, CD 1
 H.B. No. 1931, HD 1, SD 2, CD 1
 H.B. No. 1942, HD 1, SD 1, CD 1
 H.B. No. 1943, HD 2, SD 2, CD 1
 H.B. No. 1951, HD 1, SD 2, CD 1
 H.B. No. 1966, HD 1, SD 2, CD 1
 H.B. No. 1993, SD 2, CD 1
 H.B. No. 2003, HD 1, SD 1, CD 1
 H.B. No. 2009, SD 1, CD 1
 H.B. No. 2034, HD 2, SD 1, CD 1
 H.B. No. 2037, HD 1, SD 1, CD 1
 H.B. No. 2038, HD 1, SD 2, CD 1
 H.B. No. 2051, HD 1, SD 2, CD 1
 H.B. No. 2052, HD 2, SD 2, CD 1
 H.B. No. 2053, HD 1, SD 1, CD 1
 H.B. No. 2094, HD 1, SD 1, CD 1
 H.B. No. 2116, HD 2, SD 1, CD 1
 H.B. No. 2139, HD 1, SD 1, CD 1
 H.B. No. 2147, HD 1, SD 2, CD 1
 H.B. No. 2152, HD 1, SD 2, CD 1
 H.B. No. 2163, HD 2, SD 1, CD 1
 H.B. No. 2179, HD 1, SD 1, CD 1
 H.B. No. 2188, HD 1, SD 1, CD 1
 H.B. No. 2205, HD 1, SD 1, CD 1
 H.B. No. 2213, HD 1, SD 1, CD 1
 H.B. No. 2224, HD 2, SD 2, CD 1
 H.B. No. 2243, HD 1, SD 1, CD 1
 H.B. No. 2246, HD 1, SD 1, CD 1
 H.B. No. 2251, HD 1, SD 1, CD 1
 H.B. No. 2273, SD 2, CD 1
 H.B. No. 2288, HD 1, SD 1, CD 1
 H.B. No. 2293, HD 2, SD 2, CD 1
 H.B. No. 2304, HD 2, SD 2, CD 1
 H.B. No. 2363, HD 2, SD 2, CD 1
 H.B. No. 2400, SD 1, CD 1
 H.B. No. 2401, HD 2, SD 2, CD 1
 H.B. No. 2413, HD 1, SD 1, CD 1
 H.B. No. 2427, HD 1, SD 1, CD 1
 H.B. No. 2448, HD 2, SD 1, CD 1
 H.B. No. 2464, HD 1, SD 1, CD 1
 H.B. No. 2509, HD 1, SD 2, CD 1
 H.B. No. 2543, SD 1, CD 1
 H.B. No. 2560, HD 2, SD 2, CD 1
 H.B. No. 2581, HD 3, SD 2, CD 1
 H.B. No. 2590, HD 1, SD 2, CD 1
 H.B. No. 2598, HD 1, SD 2, CD 1
 H.B. No. 2611, SD 2, CD 1
 S.B. No. 60, SD 1, HD 1, CD 1
 S.B. No. 632, SD 2, HD 1, CD 1
 S.B. No. 651, SD 2, HD 2, CD 1
 S.B. No. 702, SD 2, HD 2, CD 1
 S.B. No. 1015, SD 1, HD 1, CD 1
 S.B. No. 1141, SD 2, HD 2, CD 1
 S.B. No. 1233, HD 1, CD 1
 S.B. No. 2048, SD 1, HD 2, CD 1
 S.B. No. 2054, SD 3, HD 3, CD 1
 S.B. No. 2057, SD 2, HD 1, CD 1
 S.B. No. 2073, SD 1, HD 1, CD 1
 S.B. No. 2074, SD 1, HD 1, CD 1
 S.B. No. 2082, SD 1, HD 2, CD 1
 S.B. No. 2134, SD 1, HD 1, CD 1
 S.B. No. 2196, SD 2, HD 1, CD 1
 S.B. No. 2223, HD 2, CD 1
 S.B. No. 2246, SD 2, HD 2, CD 1
 S.B. No. 2260, SD 2, HD 2, CD 1
 S.B. No. 2288, SD 2, HD 1, CD 1

S.B. No. 2300, SD 1, HD 1, CD 1
 S.B. No. 2308, SD 1, HD 1, CD 1
 S.B. No. 2315, SD 1, HD 1, CD 1
 S.B. No. 2330, SD 1, HD 1, CD 1
 S.B. No. 2345, SD 1, HD 1, CD 1
 S.B. No. 2346, SD 1, HD 2, CD 1
 S.B. No. 2365, SD 2, HD 2, CD 1
 S.B. No. 2368, SD 1, HD 1, CD 1
 S.B. No. 2391, SD 2, HD 1, CD 1
 S.B. No. 2410, SD 1, HD 1, CD 1
 S.B. No. 2411, SD 1, HD 1, CD 1
 S.B. No. 2469, SD 2, HD 3, CD 1
 S.B. No. 2470, SD 1, HD 1, CD 1
 S.B. No. 2472, SD 2, HD 3, CD 1
 S.B. No. 2483, SD 1, HD 1, CD 1
 S.B. No. 2486, SD 1, HD 1, CD 1
 S.B. No. 2542, SD 1, HD 1, CD 1
 S.B. No. 2577, SD 2, HD 2, CD 1
 S.B. No. 2581, SD 2, HD 1, CD 1
 S.B. No. 2583, SD 1, HD 1, CD 1
 S.B. No. 2589, SD 2, HD 2, CD 1
 S.B. No. 2591, SD 1, HD 1, CD 1
 S.B. No. 2609, SD 1, HD 2, CD 1
 S.B. No. 2634, SD 1, HD 2, CD 1
 S.B. No. 2657, SD 2, HD 1, CD 1
 S.B. No. 2682, SD 1, HD 2, CD 1
 S.B. No. 2687, SD 1, HD 2, CD 1
 S.B. No. 2729, SD 2, HD 1, CD 1
 S.B. No. 2742, SD 1, HD 1, CD 1
 S.B. No. 2768, SD 2, HD 2, CD 1
 S.B. No. 2779, SD 1, HD 1, CD 1
 S.B. No. 2809, SD 1, HD 1, CD 1
 S.B. No. 2820, SD 2, HD 2, CD 1
 S.B. No. 2821, SD 2, HD 1, CD 1
 S.B. No. 2866, SD 1, HD 1, CD 1
 S.B. No. 2877, SD 1, HD 1, CD 1
 S.B. No. 2895, SD 1, HD 1, CD 1
 S.B. No. 2953, SD 1, HD 3, CD 1
 S.B. No. 2981, SD 2, HD 1, CD 1
 S.B. No. 3042, SD 2, HD 1, CD 1
 S.B. No. 3093, SD 1, HD 1, CD 1
 S.B. No. 3099, SD 1, HD 1, CD 1
 S.B. No. 3121, SD 1, HD 1, CD 1
 S.B. No. 3125, SD 2, HD 2, CD 1

House Communication dated April 29, 2014, from Brian L. Takeshita, Chief Clerk of the House of Representatives, to the Honorable President and Members of the Senate, informing the Senate that the House has agreed to the amendments made by the Senate and has this day adopted the following House Concurrent Resolutions:

H.C.R. No. 14, SD 1
 H.C.R. No. 78, HD 1, SD 1
 H.C.R. No. 136, SD 1
 H.C.R. No. 202, HD 1, SD 1
 H.C.R. No. 238, SD 1