

**OPENING DAY REMARKS
2014 LEGISLATIVE SESSION
JOSEPH M. SOUKI
SPEAKER
HOUSE OF REPRESENTATIVES
STATE OF HAWAII**

My fellow members and guests, aloha and welcome to the 2014 Regular Session of the Hawaii State Legislature. Thank you all for being here today.

The first thing I would like to do is thank all of the House members for their efforts in the recently completed special session. As we all know, it was one of the most controversial and divisive sessions in recent memory. It was divisive, not only for us, but for our entire community.

But no matter what your stand on the issue, I want to thank you for your participation. Because as we all know, in a democracy, the discussion and debates are just as important—if not more so—than the resulting decision.

And so now it is time to put all of that behind us and to move forward. More importantly, we need to help our people heal in the spirit of aloha and ohana that has always guided this community.

How do we do that?

To me, the best way is to lead by example—to come together, as one House, to help our citizens provide a better life for themselves and their children. That is the way we've always done it. That's the aloha way.

Fortunately, we embark on this session in one of the best fiscal positions in a long time. With Hawaii's economy growing, construction stable, tourism strong and unemployment down, there is every reason for hope and optimism. While the past few years have placed us in survival mode, this year we have a real chance to create opportunities.

We have an opportunity to honor our kupuna and help our families with their long-term care.

We have an opportunity to help the homeless and to mend our social safety net that has been torn and tattered in recent years.

We have an opportunity to repair our schools and help our teachers provide the best education for our keiki, from early learning to higher education.

And speaking of education, we have an opportunity to improve literacy in Hawaii by funding a statewide program to support the efforts of the Governor's Council for Literacy.

We have an opportunity to improve the infrastructure that our businesses need to grow and prosper, thereby creating more jobs for our people.

We have an opportunity to not only strengthen our economy, but to do it in a way that protects our fragile environment, whether it's from damaging climate change or invasive species.

We don't have to choose one over the other. A strong economy allows us to sustain both.

We need to not only spend wisely on social services, but to prudently provide for our long-term financial obligations and to strengthen our rainy day fund. But to do all that we also need something that we haven't talked a lot about recently—and that is Vision, with a capital “V”.

As leaders, our job is to both create laws to take care of today's challenges and to anticipate long-term issues for tomorrow. However, vision is not just a “feel good” concept. It is easy to talk about vision. It is much harder to turn vision into reality.

It is easy to talk about health care reform, but much harder to realize that goal when faced with the real life difficulties of implementation and human failures. Just as it was difficult to pass Hawaii's Prepaid Health Care Act, back in 1974—a law that has benefitted the majority of Hawaii's working families since its passage.

That measure was passed, primarily because of the vision of its authors and because of their willingness to fight for that vision.

Here today, I see many familiar faces, some with whom I worked side by side in the 1978 state constitutional convention, a watershed event that created among its many achievements the need for a balanced state budget.

Because of the nature of what we were doing, vision was not just an afterthought but a guiding principal of all that we thought about and did.

I see many other familiar faces—dare I say, a bit younger with whom I've worked to solve some of the most pressing issues facing us today. In them, I see a new generation of leaders, young, eager and full of energy. To them, I want to issue this personal challenge not only for this session but for their entire public service careers:

BE A VISIONARY in a way that many of your predecessors here today were. Be careful and conservative when it comes to the public's welfare and finances. But where your own careers are concerned, take a chance; take up the challenges, facing you and all of us.

BE BOLD and look beyond your own wellbeing, and beyond today's needs.

For example, contrary to what many believe, our tax laws exist to make Hawaii a better

place to live and work. We all have a vested interest in its upkeep and wellbeing. We all have an obligation to the whole. The distribution of that obligation can be confusing even during the best of times. Long-term social trends constantly change the landscape and we need to make frequent adjustments to our tax laws.

It's not an easy task but a necessary one. It's necessary if we want to be fair, and it's necessary if we want to keep Hawaii a place with aloha and a place we are all proud to call home. In looking at our budget, yes, be fiscally prudent. But let's also look at how we can do it better that makes more sense for us today.

The Transient Accommodations Tax on tourism helps us provide for the main driver of our economic engine. In this strong economy, should we not be thinking about a greater partnership with our counties who provide much of the services that directly support tourism?

They are the ones who maintain our roads and parks and provide the law enforcement officers and first responders who serve our visitors as well as our kamaina. Therefore, let's look at removing the cap on the counties' share of the TAT.

It's time.

I believe the gesture is not only long overdue, but should be viewed as a better long-term investment in our counties and in our number one industry.

And speaking of taxes, Hawaii's personal income tax is currently one of the highest in the nation. The law that allowed that to happen was passed several years ago during a severe budget shortfall, but will sunset in 2015. And it should be allowed to do so because that's good for Hawaii's hard working families.

In both of these instances, the returns on ensuring a more robust economy will be well worth the investment—a cost, however, that is substantial for the State. So at the same time, let's look at a number of other sources of revenues that better reflect the world and circumstances we live in today.

Let's look at changes that would more sensibly spread that burden among all who benefit from living and working in these islands.

Let's look at working with the state Attorney General to better enforce existing tax requirements for those who do business—a great deal of business—in the state.

I am referring to those who earn millions through the Internet who are not located in Hawaii but profit from sales generated by our people. Technology has revolutionized the way companies do business throughout the world. And that's amazing and wonderful.

But every day, they compete toe-to-toe with local companies on a playing field that is clearly tilted in their favor. It's time we level the playing field. We should also join other states

who have banded together to look at this issue, as well as consult with our congressional delegation on actions being considered at the federal level.

Our tax laws also make allowances for seniors whose incomes are usually fixed and very limited. That is the right thing to do—for most of them.

But very wealthy seniors who draw over \$100,000 in pensions per person are also the beneficiaries of those tax considerations. Let's fix that anomaly so that everyone pays their fair share no matter where their income comes from.

Recently, there has been much news about other states legalizing the use of marijuana. While I am not suggesting we go that route, Hawaii does permit the limited cultivation and use of marijuana for medical purposes.

In spite of that, there are no dispensaries or places where you can legally buy cannabis even with a prescription. I think we need to fix that gap in the law before we talk about anything else.

In addition to the House-Senate majority's package, these are a few issues I hope you will discuss in this session. I look to all of you for much more and the opportunity to create a new vision for Hawaii.

We have a lot of work before us.

To tackle it successfully, we will need to work together—to hold to our beliefs but be willing to compromise when necessary for the greater good.

We will need to bring our communities together and engage and allow them to take ownership in the legislative process. Because that is the only way we will achieve anything meaningful and lasting.

So let's roll up our sleeves and get to it. I thank you for your commitment and look forward to working with all of you.

Mahalo and aloha.