HAWAII STATE HOUSE OF REPRESENTATIVES

REGULAR SESSION OF 2011

ROUGH DRAFT JOURNAL

FIFTY-NINTH DAY

MAY 3, 2011

OFFICE OF THE CHIEF CLERK

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FIFTY-NINTH DAY

Tuesday, May 3, 2011

The House of Representatives of the Twenty-Sixth Legislature of the State of Hawaii, Regular Session of 2011, convened at 9:10 o'clock a.m., with the Speaker presiding, after which the Roll was called showing all Members present with the exception of Representatives Carroll and Pine, 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. 687 through 691) were received and announced by the Clerk and were placed on file:

Sen. Com. No. 687, transmitting H.C.R. No. 27, entitled: "HOUSE CONCURRENT RESOLUTION URGING THE HONOLULU CITY COUNCIL TO EXTEND HISTORIC PROPERTY TAX EXEMPTIONS TO INFILL HOMES WITHIN THE EWA VILLAGES HISTORIC DISTRICT," which was adopted by the Senate on April 29, 2011.

Sen. Com. No. 688, transmitting H.C.R. No. 104, HD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE SUPPORT OF THE DEPARTMENT OF TRANSPORTATION, IN CONSULTATION WITH THE BOARD OF LAND AND NATURAL RESOURCES, FOR A STUDY ON REDUCING THE SEWER AND UTILITY LINE LOAD BY REPAIRING AN ARTERY TO ALLOW TRADITIONAL WATER FLOW TO KALAUHA'IHA'I FISHPOND AND MAUNALUA BAY," which was adopted by the Senate on April 29, 2011.

Sen. Com. No. 689, transmitting H.C.R. No. 183, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING APPLICATION FOR, GRANTING OF, AND FISCAL SUPPORT FOR EMERGENCY RELIEF AND EMERGENCY PREVENTION EFFORTS FOR THE COUNTY OF HAWAII AND THE COUNTY OF MAUI IN THE WAKE OF THE MARCH 2011 TSUNAMI," which was adopted by the Senate on April 29, 2011.

Sen. Com. No. 690, transmitting H.C.R. No. 208, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF PUBLIC SAFETY AND DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES TO STUDY THE FEASIBILITY OF ESTABLISHING A PUBLIC-PRIVATE CORRECTIONAL PARTNERSHIP FOR THE CONSTRUCTION AND OPERATION OF PRISONS IN HAWAII," which was adopted by the Senate on April 29, 2011.

Sen. Com. No. 691, transmitting H.C.R. No. 273, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE SCHOOL OF TRAVEL INDUSTRY MANAGEMENT AT THE UNIVERSITY OF HAWAII AT MANOA TO DEVELOP ENHANCEMENTS FOR THE TOURISM-RELATED CAPABILITIES OF THE UNIVERSITY OF HAWAII ECONOMIC RESEARCH ORGANIZATION DATA PORTAL," which was adopted by the Senate on April 29, 2011.

INTRODUCTIONS

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

Representative M. Oshiro introduced the members of the House Committee on Finance staff:

Mr. Nandana Kalupahana, Committee Clerk;
Ms. Tracy Kubota, Administrative Services Manager;
Mr. Jo Hamasaki, Committee Specialist;
Ms. Midori Hirai, Legislative Aide;
Ms. Lucia Phan, Legislative Aide;
Ms. Jenai Umetsu, Legislative Aide;
Ms. Debra Yuen, Legislative Aide;

Mr. Randall Hiyoto, Research Chief;
Ms. Stacey Tagala, Research Supervisor;
Ms. Tiffany Aoyama, Researcher;
Mr. James Larson, Researcher/Intern;
Ms. Megan Muramatsu, Researcher;
Ms. Nicole Velasco, Researcher;

Ms. Puna Chai, Budget Chief;
Mr. Alex Kagawa, Budget Supervisor;
Mr. Erik Abe, CIP Specialist/Researcher;
Mr. Nicholas Chong, Budget Analyst;
Mr. Michael Fisher, Budget Analyst;
Ms. Karisa Look, Budget Analyst;
Ms. Maryanne Takahashi, Budget Analyst; and
Ms. Renee Stapley, Budget Analyst.

At 9:13 o'clock a.m. the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 9:37 o'clock a.m.

ORDER OF THE DAY

REPORTS OF CONFERENCE COMMITTEES

At this time, the Chair announced:

"Members, at this time, we will take one item out of order. On page 23 of your Order of the Day, Conf. Com. Rep. No. 144 and SB No. 120, SD 1, HD 1, CD 1."

Representative M. Oshiro, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 120, SD 1, HD 1, presented a report (Conf. Com. Rep. No. 144) recommending that S.B. No. 120, SD 1, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 144 and S.B. No. 120, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE FUNDS," was deferred for a period of 48 hours.

At this time, Representative M. Oshiro offered Floor Amendment No. 8, amending S.B. No. 120, SD 1, HD 1, CD 1, as follows:

"SECTION 1. Senate Bill No. 120, S.D. 1, H.D. 1, C.D. 1, is amended by deleting Section 2 and replacing it with new language to read as follows:

"SECTION 2. On July 1, 2011:

(1) All moneys in the travel agency recovery fund and the travel agency education fund, as of June 30, 2011, shall be transferred to the general fund of the State of Hawaii; and

(2) The travel agency recovery fund and the travel agency education fund shall cease to exist."

SECTION 2. Senate Bill No. 120, S.D. 1, H.D. 1, C.D. 1, is amended by amending the language in Part III, relating to fund transfers, by replacing in each instance, the phrase, "On July 1, 2011," with "until June 30, 2011," and the phrase "fiscal year 2011-2012" with "fiscal year 2010-2011".

SECTION 3. Senate Bill No. 120, S.D. 1, H.D. 1, C.D. 1, is amended by changing the amount identified and authorized to be transferred in Section 23 from $1,500,000 to $4,200,000.

SECTION 4. Senate Bill No. 120, S.D. 1, H.D. 1, C.D. 1, is amended by deleting Section 30.

SECTION 5. Senate Bill No. 120, S.D. 1, H.D. 1, C.D. 1, is amended by adding two new sections to Part III to read as follows:

"SECTION 37. The legislature determines that there is in the captive insurance administrative fund at least $2,500,000 in excess of the requirements of the fund. Until June 30, 2011, the director of finance is authorized to transfer from the captive insurance administrative fund to the general fund the sum of $2,500,000 or so much thereof as may be necessary for fiscal year 2010-2011.

SECTION 38. The legislature determines that there is in the health care revolving fund at least $916,284 in excess of the requirements of the fund. Until June 30, 2011, the director of finance is authorized to transfer from the health care revolving fund to the general fund the sum of $916,284 or so much thereof as may be necessary for fiscal year 2010-2011."

SECTION 6. Senate Bill No. 120, S.D. 1, H.D. 1, C.D. 1, is amended by adding two new sections to Part V to read as follows:

"SECTION 56. Part XIII of chapter 346, Hawaii Revised Statutes, is repealed.

SECTION 57. Part XV of chapter 346, Hawaii Revised Statutes, is repealed."

SECTION 7. Senate Bill No. 120, S.D. 1, H.D. 1, C.D. 1, is amended by amending Section 58 to change the phrase "On July 1, 2011," to "By July 1, 2011".

SECTION 8. Senate Bill No. 120, S.D. 1, H.D. 1, C.D. 1, is amended by changing the effective date of the bill from July 1, 2011 to upon approval.

SECTION 9. Senate Bill No. 120, S.D. 1, H.D. 1, C.D. 1, is amended by renumbering the sections of the bill accordingly."

Representative M. Oshiro moved that Floor Amendment No. 8 be adopted, seconded by Representative M. Lee.

The motion that Floor Amendment No. 8, amending S.B. No. 120, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE FUNDS," be adopted, was put to vote by the Chair and carried. (Representatives Carroll and Pine were excused.)

At 9:38 o'clock a.m. the Chair noted that Floor Amendment No. 8, was adopted.

SUSPENSION OF RULES

On motion by Representative Evans, seconded by Representative Ching and carried, the rules were suspended for the purpose of considering certain House and Senate Bills for Final Reading by consent calendar. (Representatives Carroll and Pine were excused.)

UNFINISHED BUSINESS

Conf. Com. Rep. No. 143 and H.B. No. 200, HD 1, SD 1, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that H.B. No. 200, HD 1, SD 1, CD 1, pass Final Reading, seconded by Representative Evans.

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

"Mr. Speaker, I rise in favor of House Bill 200, Conference Draft 1. Mr. Speaker, please allow me to begin by first thanking my Vice Chair, Representative Marilyn Lee. The ever gentle and demure 'Nurse Nightingale' whose patience, once tested and pushed, she becomes 'Nurse Ratched.' But truly, Mr. Speaker, she's the one that kept us on track, on schedule, and made sure that we spoke loudly and clearly into the microphone. Thank you very much, Marilyn.

"To the House Leadership, thank you for your unwavering support through these very difficult times. And of course, Mr. Speaker, you and your trust and confidence along the way. It has been humbling to me and your support has sustained me. A special thanks to the Vice Speaker, Majority Leader, Majority Floor Leader, and of course your aide, Mr. Speaker, Mr. Azama, for always being there. And, of course, the Committee Chairs. Your participation and counsel has been critical to setting our priorities.

"Finance Committee members, you too. You stood by, eager to assist in our efforts to craft a balanced budget. Your inquiries, input and ideas have added immensely to the success of our efforts. Please share your insights to our collaborative and open style with the larger community. I believe they'll be encouraged by what they know about how we work.

"And my counterpart in the Senate, Chair David Ige. Thank you. David, thank you very much for your kind and cool demeanor, as well as your willingness to remain open to ideas that led to provocative and productive discussions. You and I indeed share many common values, insights and aspirations. It has been my pleasure and privilege to work with you, Chair Ige, and I look forward to continuing the collaboration.

"I also extend my deepest gratitude to the Ways and Means staff for their hard work and dedication to producing a balanced budget. Like my staff, please take pride in knowing that you have served the people of Hawaii well through the long days and nights.

"And, Mr. Speaker, my final thanks go out to the Finance Committee staff who burned the midnight oil, and spent sleepless nights analyzing every aspect of every line item of every budget request over, and over, and over again. We did the same on every single bill: House Bill, Senate Bill, and even resolutions. I have been a severe taskmaster, I know, but you have all risen to the occasion and done me proud. Your endurance and diligence in crafting this budget have gotten us to where we are today. And so specifically I'd like to publically thank Nandana, Randall, Stacey, Puna, Alex, Erik, Tracy and Jo, and all the budget and research analysts, as well as the front office staff for standing by me through the challenges of this Session.

"To our new Governor, Neil Abercrombie. Thank you for setting a high goal for all of us. Not all of your ideas and your priorities made it into this budget and financial plan, but I thank you for taking on the leadership mantle of the Governor. I thank you and your cabinet, especially Director of Finance Kalbert Young, and Deputy Director Dean Hirata for the countless hours spent in consultation and collaboration. Kudos also go out to Directors Fuddy, Louie, McManaman, Takamine and Kokubun, for your timely response and availability.

"Governor Abercrombie, you came into office after all of the easy decisions had been made and federal stimulus support was evaporating. You were left with a government in tatters, workers demoralized, workers marginalized, and tasked them to do more and more, with less and less. You put forth an aggressive and controversial agenda for change, but you tackled our problems head on without flinching. You spoke the truth. At the end of the day, this budget and financial plan may not move the State as far as we wish."

Representative Ichiyama rose to yield her time, and the Chair "so ordered."

Representative M. Oshiro continued, stating:

"Thank you, Representative Ichiyama. At the end of the day this budget and financial plan may not move the State as far ahead as you may wish, but it does provide the building blocks for long-term structural fixes to our budget and a promise of a brighter future. A sage political pundit named Boylan once told me many years ago, 'Political change is often achieved more through evolution than through revolution.' And the same holds true for changing government as we are all creatures of habit.

"But the fact of the matter is this, Mr. Speaker. That the ship of state of this great canoe has changed, and we are making the turn with all hands on board, facing forward, we are on a new course. And there is light at the

end of the tunnel. The long, dark tunnel that we have been travelling in for the past two years. There are brighter days ahead and this budget will get us there.

"Mr. Speaker, the budget is balanced; balanced on the books, balanced between our wants and our needs, and even balanced between hard choices of lesser evils. It wasn't easy. There was no pleasure. But we ensured the fiscal viability of our State. But this is the time, Mr. Speaker, when funding and resources are at their lowest, that we must put our minds together to reassess the very basic needs of government service. We must determine exactly what we want Hawaii to look like when we emerge from the effects of the Great Recession.

"Mr. Speaker, I trust and believe the Governor will reprioritize and retool State government, but we are all accountable. We must all do our part. We all need to work together to reconfigure and retool government services and programs to make sure we are not only living within our means, but also maximizing our resources. We need to reconfigure our perspectives and align them to come up with collaborative solutions.

"Mr. Speaker, in the Finance Conference Room hangs an old poster of mine, from my days at law school, and I believe it summarized the challenge before us. We cannot change unless we survive, and we cannot survive unless we change. Mr. Speaker, I know it can be done. I've seen it. I've felt it. I've lived it. And I've experienced it in a more collaborative relationship within the House and the Senate this past Session.

"As many of you know, we reconfigured the whole Conference Room. Instead of sitting across the table, we sat next to each other. It changed not only the dialogue and the discussion, but the symbolism of us working together on one side on one team. And both of us are fulfilling the important roles necessary for any human endeavor of sometimes leading, and sometimes following. We made decisions together. We come from different Chambers, perspectives, and viewpoints, and we brought those to the table. Where there was disagreement, we respectfully worked out a meaningful compromise to best serve the needs of Hawaii.

"Mr. Speaker, I'm proud of the work Chair Ige and I have done together. We made difficult choices. Considering the challenge we faced at the three years of budget shortfalls that total $4.6 billion, could we have expected anything different? Let's think about that for a minute, Mr. Speaker. We, all of us, the entire State, our families, our friends, our neighbors, our relatives, our colleagues, our coworkers, we've had to find solutions to balance the budget to a total $4.6 billion. To give an example of $4.6 billion. All 76 legislators can buy 82,000 barrels of Kentucky Fried Chicken a day for a whole year. That's a lot of chicken for all of us. Honestly, it's hard to comprehend that number, but Mr. Speaker, we are almost out of it. It looks like we have finally gotten to the final stage of grief, and that is acceptance. We can move on now.

"Perhaps we can move on now. Perhaps that's what we all felt Friday night, exhausted, weary, getting through the pass. There is hope at the end of all of this. That's what this budget represents. We made structural fixes and invested in our future.

"In response to the exponential growth and demand for services, we have provided nearly $550 million in new money to the Department of Human Services. Included in that amount is additional money for Medicaid, Temporary Assistance for Needy Families."

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

Representative M. Oshiro continued, stating:

"Thank you, Mr. Speaker. $3 million for Preschool Open Doors. $3 million for homeless services and outreach programs, and shelters on Maui, Waianae, and in Kona. The budget also includes close to $45 million for Department of Health for adult mental health services, and child and adolescent health mental services; $20 million for developmentally disabled intellectually challenged citizens; and $4.3 million for early intervention programs for vulnerable infants and toddlers to give them a chance, a fair start in life.

"We further recognize an unprecedented increase in enrollment of about 35% at the community colleges, and nearly 20% at University of Hawaii at Hilo. Mr. Speaker, this budget provides $6.6 million in each year to address the escalating needs of the University of Hawaii Hilo and Hawaii Community College.

"And finally, Mr. Speaker, this budget lays the foundation for long-term energy and economic development for our State to the energy security special fund. This budget funds positions critical to advancing the Department's efforts towards the goal of 70% clean energy by 2030. In addition, we created an Aerospace Division, Mr. Speaker, and provided nearly $800,000 to the Creative Energies Division.

"In closing, Mr. Speaker, a little over a month ago I stood here and urged my colleagues to recognize the need for a reality check. Mr. Speaker, the reality is that we can make good things happen through openness, collaboration, and plain old fashion hard work by keeping our eyes on the prize, and keeping our nose to the grindstone. I've seen it happen. Mr. Speaker, I stand in strong support of this budget because it is evidence of what we can do together when we set aside our weaker natures, become our better statesmen and stateswomen, and speak truth to reason in the reality of limited dollars and cents. In essence, embedding our values and aspirations and hopes in this budget.

"Mr. Speaker, we're almost there. Landfall is near. I can see the breakers. I can see the shore. We have come through the stormy pass together. We have made the difficult choices, battled the leviathan of special interests, and overcome the counter currents of partisans tailwinds that ebb and flow with an ever changing mood. But we have kept the course, and we must all stay in the canoe and paddle. Paddle hard, paddle together, in unison. The Hawaiians have a proverb. The canoe moves forward when we all paddle together. *Lokahi. Holomua. Imua Hawai'i nei.* Let's get to work. Thank you, Mr. Speaker."

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

"Mr. Speaker, I rise in support with some observations and some reservations. Mr. Speaker, I commend the Chair of Finance not only for his speech, but for the way he has commanded the ship, or if he's in the canoe, he's got his paddle, most of the time in the right direction. I have a few things that steered us left, right and center.

"Unfortunately the public is first going to look at the budget as, 'Hey, why did it grow?' Everything is tough. We've raised almost $600 million worth of taxes. Why has the budget increased? And I know its nondiscretionary funds, but I think the obligation is that we explain to the public that these are automatic increases, but I think that's a point of vulnerability.

"I think the second thing is the commitment and the effort to balance almost $4 billion over the last three years. No Legislature would ever desire as their marching orders to have to do that. So it's a tough time to be the Chair of the Finance Committee. It's a tough time to be in the Legislature; to know that your job is basically a slicer, or a tax raiser.

"Mr. Speaker, you know our side of the aisle said, 'Okay, let's slice, but let's not raise taxes.' I think the Chair has become a master at slicing and it's tough. People don't want to do that, but it has to be done. But it's where Mr. Speaker, I want to emphasize the other side, and that's the pie and the growth of it.

"We do not have a vision in this State to grow the pie. We've been able to cut it into smaller pieces, but we haven't been able to grow it. Case in point. The two opportunities that many of us had our hearts set on were the aerospace industry to be launched. There was no money even though it's got a new structure. There's no money to really get it off the ground, so to speak. Secondly, the movie studio industry. We're going to give tax credits to get them on Maui, to get them here on Oahu. That fell off the table, or got pushed off the table Friday night.

"So in terms of a vision, I think we have a deficit upon where we're going in terms of growing the pie, Mr. Speaker, and it's a very serious issue. Half of our kids in our public schools cannot afford to pay for lunch. 47% are either on a subsidized full or partial grant from the State. We need a business model that grows the pie. You know during hard times we've got to be a slicer and get everybody a smaller piece, but it's in that area that I would suggest, Mr. Speaker, we can do much better. And quite frankly, regardless of whether it's the Governor's budget, or the House's budget, or the Senate's budget, unless this economy turns around, we are in 'deep, deep kim chee.'

"So, Mr. Speaker, let's grow the pie. Let's do positive things for our economy. Let's remember the fiduciary Hippocratic Oath. Do no harm to Hawaii's families. Do no harm to Hawaii's jobs. And let's not stall the economy. And, Mr. Speaker, with $600 million worth of new taxes, stalling the economy is a very big reality and that's what some of us fear, as a result of this Session that might be coming down the line. Having said that, Mr. Speaker, I know there's a way to right-size government, to put Hawaii back on track, to steer the canoe in the right direction, and that's for the pie of Hawaii to get bigger, to get us more prosperous. We've got the brains. We've got the culture. We've got the entrepreneurial ingenuity to do it. We can do it, but it needs the political will on this Floor. Thank you, Mr. Speaker."

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

"Thank you, very much. First of all, Mr. Speaker, I stand in support, strong support of the budget. I would like the words of the good Chair of Finance entered into the record as if they were my own. However, I would like the words of the speaker from Hawaii Kai entered into the record as my own for history to show once and for all, for the record, because my lament is the same as his. We lost two multi-billion dollar potentials this year. We've managed to tackle the issues before us now, but the opportunities to grow the pie, unfortunately it needs to be noted for the record.

"But I stand in full support of this budget because this is a strong budget. It gets capital improvement projects going. It makes cuts to right-size government, but not at the expense of any one group or special program. So good job there, Chair of Finance. Aloha."

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

"Thank you, Mr. Speaker. I rise in support. Mr. Speaker, this has been a year of unprecedented concern over the local and national economies and the efforts of government, both federal and local, to restore economic health. Within the last months and weeks the world has been rocked by events which will have an effect on our local economy, yet to be realized.

"First, there was the political turmoil in Egypt, Libya, Bahrain, and elsewhere. Then the tsunami which devastated parts of Japan. This event brought out the best in our Hawaii community. Group after group left their own worries aside to participate in a multitude of activities to help our Japanese friends, including Members of our House and especially Representative Tokioka. Next the whole world watched in wonder as a Prince and Princess lived out their dreams in a storybook wedding which brought tears to many of our eyes. Then after months of questions and persistent rumors, President Barack Obama, a native son, brought to rest questions about his place of birth by releasing his birth certificate with the signature of a well-known Hawaii physician documenting his birth at Kapiolani Hospital. And yesterday, unbelievably, a team of Navy SEALS conducted a successful raid upon the hiding place of Osama Bin Laden in Pakistan. Killing him and quickly burying his body at sea, thus bringing some closure to one of the most tragic events in the history of our country on September 11th; 10 years ago.

"Besides these events, our economic ills may seem small. But to the citizens of Hawaii struggling with the effects of a lengthy recession, what is happening here has a huge effect on everyday lives.

"Our Finance Committee has worked extremely hard dealing with the enormous deficit we faced, led by Chair Marcus Oshiro who never seems to stop working and whose quest to master the intricacies of the budget is insatiable. The Finance staff helped our members understand the often puzzling numbers and were always patient, smiling and helpful. Thank you, Chair and Finance staff for your tremendous investment of time, energy and spirit. And thank you for your considerable sacrifice. The Finance Committee members mostly arrived on time and were an enthusiastic group, ready to learn, curious, and innovative in some cases. We're very fortunate to have the experience and expertise of Representatives Chong and Yamashita, and the career and life skills of Representative Choy. It has been quite a daunting experience to listen to the new department heads and staffs that are truly dedicated, yet labor under staff shortages, furlough days and budget cuts. Each Committee Chair in his own way struggled too, as advocates they realized the resources available to them were so limited.

"And so we vote on our budget. To quote Chair Oshiro, it is very, very, very tight. Each and every cut was considered carefully, and every Chair felt some sense of loss when coming to the realization that all is not the same as before. But as a Committee and a House, we can be very, very proud that in these difficult times we did not resort to raising the general excise tax; something that would have especially hurt the economy, business, the poor and the elderly. We can be proud that much of the safety-net survived and there is hope that a new day will come if we all do our part and are willing to sacrifice our personal priorities.

"Read the Committee Report. It is a model of thoughtful analysis and is a solid response to the serious fiscal crisis we face. In the long run, this budget will enable us to weather the storm and prevail in the future. I urge the Members' support. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. In support. Personally I don't envy the task for the Finance Chair, his Committee and also staff, and I thank you very much. With very limited revenue, and unlimited requests and needs, this Committee made some very hard decisions and, in particular, with agriculture, no matter how miniscule the piece of the pie was, they planted the seeds for agricultural sustainability in the future. With this in mind, I would like to ask that additional written comments be submitted into the Journal. Thank you, Mr. Speaker."

Representative Tsuji's written remarks are as follows:

"I do not envy the task that the Finance Chair and members had this Session. With very limited revenue and unlimited needs, this Committee made hard decisions and did not take it lightly.

"I am in support of this bill because it recognizes agriculture as an important component of Hawaii's economy. Last year, DOA had a 44% general fund reduction that resulted in the delay of services and discontinuation of several functions. Honolulu International Airport, which accounts for 95% of the statewide airport system, has only five to seven plant quarantine inspectors daily. This is a dangerous trend and it is estimated that about 90% percent of invasive species will avoid detection, and thus gain entry into Hawaii. The Conference Committees anticipate the lifting of the hiring freeze to fill the twenty-two plant quarantine inspector positions restored by the Legislature last year in the Plant, Pest and Disease Control program and fifteen additional positions throughout DOA determined to be essential to operations. As such, the bill's language shields DOA from reductions to enable adequate funding for these important positions.

"The Finance Committee also supports the efforts to reduce general fund costs in these challenging economic times by changing the means of financing for twelve positions from general funds to special funds. This alleviates the need to come back to the Legislature annually to seek money for those employees.

"The Finance Chair and Committee showed their dedication to promoting self-sufficiency, conserving resources, and preventing the introduction of invasive species in our State. I thank them and ask that HB 200 pass Final Reading today."

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

"Mr. Speaker, thank you very much. And Members of the House. First of all, of course, I want to thank the Chair of Finance for doing a wonderful job, and the Vice Chair and all the members. I know how difficult it is. I once served in that particular role. And this year especially, the third year or the third Session where we had to make cuts that were extremely difficult and he did his job. We have a balanced budget and I think for that we all owe the Committee, and the leadership, a debt of gratitude.

"However the concerns I have, and the caveats I have, are that with what has been done, the ship of state is not well. It continues to, if I can say, rock quite a bit. In the next few weeks there is going to be another Council on Revenues meeting. We expect the projection to be down. The Governor will have then a budget that probably will not be balanced at that time. Further adjustments will have to be made within the budget. This is the ship of state that we have. Do we want to continue with this situation in the years to come? I think it's a given that we don't have enough of an income stream coming into the State to support all of the programs that we have.

"This year we had an opportunity to have a movie industry here to provide additional funding, and through no fault of the House, that particular measure died. We also had a measure for gaming. A lot of people don't like gaming and that's your right, but it had the potential of providing an additional income stream. That has failed. We also had the opportunity to raise taxes, which no one wants. The majority of people don't want that. However it does provide an income stream given the fact there is no other type of income stream that's coming in to support the needed programs for the State of Hawaii.

"The quality of life is diminishing. The number of homeless is increasing. The enrollment of QUEST will be going down when the need should be going up, simply because of the lack of funds. There is over an $800 million adjustment that was made just to balance the budget, and that includes cuts, lapses, etc., etc., and you know that is going to affect the people and the quality of life in the State of Hawaii.

"So Members, this is not to blame anyone. The Chair and the Leadership did what needed to be done and they balanced the budget courageously, and they've done a wonderful job. But I think we collectively in the future, we must be able to make the strong decisions if we want to maintain the quality of life that we have enjoyed all of these past years. Thank you, very much. Aloha."

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

"Thank you, Mr. Speaker. I just would like to acknowledge my gratitude to the Chair of Finance and the members of the Committee. This Session, there were a lot of needs that needed to be addressed that really don't get a lot of support from the public. But through their vision of the overall needs of the State they were able to fund appropriate needs for the homeless, such as the health van services for the Big Island, as well as outreach services for the homeless and funding more and creating more homeless shelters.

"One of the basic needs of these people, as well as those who are not homeless, is affordable rentals and affordable housing. And in this bill that we're passing today, there are items which the Finance Committee approved that will give flexibility and creative means for private-public partnerships to use federal funds and also tax credits, so private companies can join us in creating more affordable rentals. The Public Housing Authority has also been afforded flexibility to create, build, and maintain new public housing units for our people. And for that I'm thankful for the Committee, and your support, Mr. Speaker, as well as to all the Members. Thank you."

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

"Thank you very much, Mr. Speaker. I rise in support of House Bill 200, Conference Draft 1. Thank you. Specifically I'd like to speak on the Capital Improvement Projects budget. At the outset, Mr. Speaker, I'd like to thank you, the Chair of the Committee on Finance, and my fellow colleagues for the opportunity to negotiate on behalf of the House on this portion of the budget. Also I'd like to thank our House CIP Specialist, Erik Abe, for his many hours of hard work and working on behalf of all of us. And of course, my staff, Lois, Kristen, Tannya, and Eddie.

"Over the past four months there have been many challenges and difficulties, but in the end, what is incorporated in House Bill 200, Conference Draft 1, is responsible and responsive to the immediate needs of our people.

"House Bill 200, Conference Draft 1, provides appropriations of capital improvement projects in the amount of $2,858,762,000 for the biennium by all means of financing. Of that, $1.477 billion is recommended for General Obligation Bonds and GOR Bonds.

"The impact of the new bond issuances was of primary concern, especially in light of the refinancing of General Obligation Bonds in 2009, which resulted in a dramatic increase in debt service payments beginning in fiscal year '15 and '16. While we continue to invest in infrastructure and facilities vital for the short-term economic growth and job creation, creating too much debt load on our State will stymie our economic viability and drain precious revenues needed for essential programs and services.

"Further compounding the problem was word from the Administration that the clerical error in the accounting of General Obligation Bond authorizations for the State Education Facilities Improvement Special Fund, the SEFI Fund, an additional $390,000,000 would be needed to be appropriated for Fiscal Year 2011-2012 to ensure that sufficient resources would be available to cover contractual obligations currently encumbered.

"While I understand from an accounting and legal perspective that the amount of General Obligation Bonds authorized and issued must equal the amount of SEFI funds appropriated and expended, the current problem that the $390 million is intended to fix is a manifestation of a larger, systemic problem with the SEFI's financing mechanism which requires further evaluation and deliberation.

"Because of the sheer number of educational projects funded over the years, and each having encumbered varying portions of the amounts authorized at any given time, it was and continues to be a monumental task for the Department of Budget and Finance to ascertain an exact amount needed for the re-appropriation for the fiscal year. While numerous inquiries were made by this House to the Department of Budget and Finance for an accounting of the specific SEFI Fund appropriations needed to be covered by the appropriation of general obligation bonds, with each inquiry, the House received a different answer. By the time we needed to put this budget together, we received what amounted to, "a best guess" from B&F at what this amount should be -- $440 million.

"Because we received word of this $50 million more than what was "officially" requested by the Administration in a Governor's Message just three days before the Final Decking Deadline, there was no way to incorporate this new appropriation into the budget. However, the Department of Budget and Finance did receive word from their bond counsel that any discrepancy in the total amount would not, Mr. Speaker, I repeat, would not jeopardize any bond rating or the ability for the State to issue bonds in the future in any way.

"Mr. Speaker, in my view, this budget shows the Legislature's good faith effort to work with the Administration to fix the problem and to ensure that our credit rating and ability to issue bonds in the future was not hindered.

"All GO and GOR Bond-funded projects were prioritized. Those deemed essential for health, safety, and identified as "shovel-ready" for immediate implementation were included in the budget. It was felt that these projects would fulfill a dual function of protecting the public welfare."

Representative Awana rose to yield her time, and the Chair "so ordered."

Representative Yamashita continued, stating:

"Thank you, Representative. It would fulfill a dual function by protecting public welfare while providing instantaneous stimulus to our economy.

"The largest areas funded by the budget by all means of financing included:

(1) $816,166,000 for the Department of Transportation for airports, highways, and harbors;

(2) $328 million for the Department of Education, charter schools, and public libraries;

(3) $174 million for the University of Hawaii System; and

(4) $149 million for the Department of Health, Hawaii Health Systems Corporation.

"In addition, $7.8 million was appropriated for the repair and reconstruction of infrastructure damaged by the tsunami that struck our State on March 11, 2011.

"Lastly, Mr. Speaker, in recognition of the various community public service-oriented organizations that have not been able to maintain their fiscal infrastructure because of the economic downturn, your Committee also recommended $20,000,000 in CIP grants-in-aid to assist them.

"Mr. Speaker, it was my privilege and honor to serve you this Session and I respectfully urge my colleagues to support this budget. And, Mr. Speaker, may I also be allowed to insert additional remarks into the Journal. Thank you."

Representative Yamashita's written remarks are as follows:

"Mr. Speaker, may it please this Body, to clarify, it is the intention of your Committee on Conference that for the appropriation of general obligation bonds for fiscal year 2010-2011 of $16,500,000 for Program ID AGS221 (LUMP SUM MAINTENANCE OF EXISTING FACILITIES, PUBLIC WORKS DIVISION, STATEWIDE), the sum of $8,000,000 be used for construction to reroof and reseal the State Capitol Building.

"Thank you."

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

"Mr. Speaker, I'm standing in support. I would like to be brief. I just would like the words, the very long words of the previous speaker. I never heard him speak that long before in my life, so may they be inserted as my own," and the Chair "so ordered." (By reference only.)

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

"Thank you, Mr. Speaker. I rise with a few reservations. Mr. Speaker, I very much appreciate the many hours that the Finance Committee put into our State budget, and the leadership of the Finance Chair and of the staff because it cannot be said enough that not only do they put in their valuable time, but this has been an exceptionally, as the Vice Chair said, difficult year.

"But I have to agree with the words of the Minority Leader, and I ask that they be entered as my own. And also Speaker Emeritus with the exception, and the deletion of the comments regarding gambling. Thank you.

"My concern has been that while it has been a very difficult year, the hope is that there are guiding principles that guide the State budget, that guide where we want to go and not just to tread water and take care of the chaos that surrounds us. The guiding principles of making sure that as it was said by the Finance Chair, that we invest in what we want Hawaii to look like in the future.

"So with the difficulty we have not taken care of aerospace, and film, but we have also not taken care of some of those bills that would have enhanced our unique assets as a State. Our assets that are our strengths.

"And so I'll end with just a quote here from the Blue Planet Foundation.

As the unchecked rise of oil prices continues to batter our State's economy, the Blue Planet Foundation is frustrated that few transformative energy policies advanced at the Legislature this Session and in particular, we are disappointed at the failure to pass critical clean energy measures.

"And they go on to describe those. So it's my hope while we are in what appears to be a survival mode, that yet as Speaker Emeritus did mention, we never forget the guiding principles, the assets, the unique assets of Hawaii and push for those as well. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. In strong support. Mr. Speaker, I'd like to ask that the words of the Finance Chair, the Vice Chair, and the Chair of Health be inserted as if they were my own. And I'd also like to thank the Finance staff. I'm not sure if they're still here, but the staff of Finance and all of the members of the Finance Committee, and especially the freshmen members of the Finance Committee, Mr. Speaker.

"The last thing I'd like to close with is for the last three Sessions we've talked about the 'low hanging fruit' and picking all the low hanging fruit. This Session, with the leadership of Chair Oshiro, we've cut down branches, Mr. Speaker. They were very tough decisions. I'm proud of the work that we've done, and I appreciate the guidance. Mahalo."

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

"Mr. Speaker, I have some reservations dealing with charters schools and their desire to seek equality. Thank you, very much."

Representative Kawakami rose in support of the measure 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, Members of the House, as the newest Member of this Body, I have to say that I have been so impressed by how we have all handled the deepening concerns around the budget. Although we are facing tough times ahead, I believe that we should, as a Body, stand united and be proud in the fact that we came to this place, observed what was going on around us, and did what we could to conserve the State's resources, while preserving core services and minimizing the impact of some very difficult decisions on the community."

Representative Ward rose to respond, stating:

"Mr. Speaker, just to add a couple of comments inspired by the Vice Chair of Finance. She reminded us that there's no GE Tax. That's a great victory for this budget, for all of the budgets except for those in another chamber that wanted it otherwise. But also I think conspicuously absent in her celebration of the victory was that there's no pension tax in here, Mr. Speaker. That's a victory for this. We did not have to tax our seniors.

"The reality and the wakeup call, however, I should also note came from Speaker Emeritus from Maui. He reminds us that we're in trouble, not only as a State, but as a nation. 40% of the budget that sits in Washington is borrowed money, Mr. Speaker. That is not viable. You're a businessman. You know you cannot borrow for very long, that much and sustain yourself. We need a new model. We need to grow jobs. And we need to grow the pie.

"I'll probably be complaining more later when we get to all of the opportunities for green jobs with photovoltaic and solar on every roof. And instead of really going big time on that, we're having studies, and we're

contemplating our navel about the power of the sun rather than actually harnessing it. Mr. Speaker, we've got to have a resolve, and I think that's the wakeup call from Speaker Joe.

"We've got to wakeup. On May 22nd. How many days away is that? Today's May 3rd. In 19 days, reality hits the fan again. Everybody said we're going to go down again. If you look at where we were in December in terms of the forecast, we were at 0.3 growth. Then on March 10th, it went down to 0.5. And on March 22nd, in a special March 29 prognosis, minus 1.6.

"So if we go again on May 22nd, Mr. Speaker, the probability is very strong we're going to go down, and that's why we've got to think of not just slicing and cutting, but growing and using our assets, and our strength. We've got sun. We've got entrepreneurial people. We've got to think about growing the economy to create jobs that create a good-paying future for our families. So I think it's prescient what the Representative from Maui has said and has warned us. Wake up, House, Senate, Governor. May 22nd. Thank you."

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

"Mr. Speaker, just in support and a quick rebuttal. I just would say that we probably don't need a new model. We need to return to an old model we had during the Clinton Administration. We had both booming economic growth and we had somewhat higher taxes. But we had surpluses at the federal level for as far as the eye could see. It was a conscious choice on the part of Congress and the Bush Administration to undo what was a very successful fiscal policy and head us in the direction of gigantic debt. So I would say that we don't need a new mode. We need to look to the past for successful models, as opposed to trying something completely different. Mahalo."

Representative Marumoto rose to respond, stating:

"Mr. Speaker, I would not blame all the ills on a national Republican Administration. I am rising in favor of this bill and I did not mention that I wanted my remarks submitted for the Journal. Before closing, I'd like to thank the Chairman and Vice Chairman of the Finance Committee. They had a very, very difficult job. The members of the Minority did try to help in our own ways. We had our differences, but we were very supportive. Thank you."

Representative Marumoto's written remarks are as follows:

"Thank you, Mr. Speaker. I rise with reservations on HB 200, the Executive Budget bill. There are many items one can address when discussing the budget, but I would like to bring up just one: charter schools and how this budget affects them.

"Charter schools have offered a popular alternative public education for Hawaii's *keiki*. Since the 2003-04 school year, charter school enrollment has grown from 4,317 students to an enrollment of 9,026 students for the 2010-2011 school year, an increase of 52%.

"The oldest one is in the 19th House District – Waialae Charter School on 19th Avenue in Kaimuki, and I have watched this parent-driven school successfully educate a generation of youngsters with innovative teaching methods.

"Unfortunately charter school funding has not kept up with this growth and has even gone in the reverse. In the 2007-08 school year, per-pupil funding for charter school students peaked at about $8.6 thousand per student. This school year the per-pupil funding is just around $5.6 thousand per student. That is a decrease of 35% in just three school years. Charter funding has never equaled that of regular public schools.

"I recognize that our budget situation necessitates cutbacks, but is this fair? This budget does little to correct this inequity. This budget increases charter school per pupil spending to a mere $6,000 per student. That amount is nowhere near what it was in the 2007-08 school year, and is $100 less per student than what was in the Administration's December submittal and approved in the HD1 version of the budget.

"Mr. Speaker, we need to show more support for our charter schools. They are *public* schools, and they deserve our help. Last year, throughout all of the Furlough Friday controversy and despite their steep budget cuts, 17 of the State's 31 charter schools took *no* furlough days, with another 9 taking some, but not all of the furlough days available to them. These schools took advantage of the freedom, flexibility and innovation granted them to benefit their students.

"Compared to regular schools, charters have had to operate with less staff and defer building maintenance or capital building projects. Some schools even cut faculty to get through the school year. If this were to continue, many charters would be forced to turn away students or close their doors.

"Moreover, there is no denying the popularity of these schools. Last year, it was reported that Hawaii's charter schools have a wait list of more than 2,800 students. Parents and students recognize that charters offer them an opportunity to attend a school that best fits their children's education needs.

"I recognize the current sad budget situation. But, looking to a brighter future, we must pledge to give these schools more support. We must grant them equity."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 200, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE BUDGET," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

At 10:21 o'clock a.m., the Chair noted that the following bill passed Final Reading:

H.B. No. 200, HD 1, SD 1, CD 1

At 10:22 o'clock a.m. the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 10:50 o'clock a.m. with Vice Speaker Manahan presiding.

LATE INTRODUCTIONS

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

Representative Evans introduced Mr. James Pinheiro, Deputy District Director for Traffic Operations and Maintenance for the California Department of Transportation for Orange County. With him were his wife, Mrs. Carol Pinheiro; sister-in-law, Mrs. Cheryl Pinheiro; and Ms. Pamela Gorniak.

At 10:52 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.

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. 200, HD 1, SD 1, CD 1, was adopted, and that H.B. No. 200, HD 1, SD 1, CD 1, Relating to the State Budget, passed Final Reading in the Senate at 10:39 a.m. this day.

"In addition, I have been informed by the Assistant Clerk of the House that at 10:43 a.m. this day, House Bill No. 200, HD 1, SD 1, CD 1, has been duly transmitted by the Legislature to the Governor, pursuant to Article VII, Section 9 of the Hawaii State Constitution."

CONSENT CALENDAR

UNFINISHED BUSINESS

At this time the Chair announced:

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

Conf. Com. Rep. No. 2 and S.B. No. 172, SD 2, HD 2, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 172, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FIREWORKS," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 3 and S.B. No. 1483, SD 1, HD 1, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1483, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HAWAII REVISED STATUTES SECTION 514B-153(E)," passed Final Reading by a vote of 48 ayes to 1 no, with Representative McKelvey voting no, and with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 4 and S.B. No. 45, HD 1, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 45, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SAFETY," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 5 and S.B. No. 283, SD 1, HD 1, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 283, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SUSTAINABILITY," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 6 and S.B. No. 1278, SD 1, HD 2, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1278, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 10 and S.B. No. 101, SD 1, HD 2, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 101, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 11 and S.B. No. 105, SD 2, HD 1, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 105, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO UNIFORM REAL PROPERTY TRANSFER ON DEATH," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

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

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 44, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SAFETY," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 15 and S.B. No. 758, SD 1, HD 2, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 758, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SMALL BUSINESS," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 16 and S.B. No. 1277, SD 2, HD 2, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1277, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONSUMER PROTECTION," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 17 and S.B. No. 142, SD 1, HD 1, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that S.B. No. 142, SD 1, HD 1, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Hanohano's written remarks are as follows:

"Mr. Speaker. This is a Bill for an Act Relating to Dams and Reservoirs which the purpose of is to protect Hawai'i water resources by establishing safeguards and mechanisms to preserve and maintain the State's dams and reservoirs. This bill was not referred to the Committee of Hawaiian Affairs, which is tasked to examine water issues in the State of Hawaii."

Representative Nakashima's written remarks are as follows:

"The former plantation irrigations systems that once supported a thriving sugar industry were crucial to the success of sugar in Hawaii. This same infrastructure continues to serve as a foundation for a new generation of farmers and ranchers in Hawaii and continues to support Hawaiian agriculture. Rules adopted by the Department of Land and Natural Resources following the Koloko Dam failure on Kauai have set high standards in the name of safety that may threaten the continued viability of these historic water systems, rendering them impotent.

"This legislation which we adopt today would require the Board of Land and Natural Resources to consider dams and reservoirs as important water resources for the State and acknowledge the need to maintain and operate them in a safe and feasible manner in the context of an important agricultural industry in Hawaii."

Representative Tsuji's written remarks are as follows:

"This bill protects Hawaii's water resources by establishing safeguards and mechanisms to preserve and maintain the State's dams and reservoirs.

"It specifically directs the BLNR to consider dams and reservoirs to be vital water resources for the State. It will also enable the BLNR to better understand and more strongly consider the importance of dams and reservoirs to the State in connection with the administration of the dam and reservoir safety program in DLNR.

"Agriculture is critical to Hawaii's food security and sustainability. Agriculture ventures need water. Our State is currently experiencing drought, and water storage facilities are essential infrastructure components to irrigation systems and safeguard against below average rainfall."

Representative Keith-Agaran's written remarks are as follows:

"Thank you, Mr. Speaker. I rise in support to SB142 SD1, HD1, CD1, which requires the Board of Land and Natural Resources to consider dams and reservoirs as important water resources and acknowledge the need to maintain and operate them in a safe and feasible manner.

"Hawaii's dams and reservoirs serve not only our agricultural community, but our energy industry through the offer of hydropower, and our residential communities by supplying our drinking water. The effects of maintaining our dams and reservoirs have far-reaching positive effects to the people of Hawaii and this bill establishes a means by which to preserve them as integral resources for our State's wellbeing."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 142, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DAMS AND RESERVOIRS," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 19 and S.B. No. 1213, SD 1, HD 1, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1213, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PERMITTING," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 23 and S.B. No. 1503, SD 2, HD 1, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1503, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL EDUCATION," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 25 and S.B. No. 40, SD 2, HD 2, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 40, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PSEUDOEPHEDRINE," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 30 and S.B. No. 217, SD 2, HD 2, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that S.B. No. 217, SD 2, HD 2, CD 1, pass Final Reading, seconded by Representative Evans.

Representative M. Lee's written remarks are as follows:

"Mr. Speaker, I rise in strong support of this measure. We need to protect Hawaii's children.

"There are untold numbers of hidden child predators who are preying on one child after another, because the statutes of limitations have been configured to give them that opportunity. This is a sunshine law for children and if passed, it will put Hawaii in the forefront of child protection.

"At least one in four girls is sexually abused, and at least one in five boys. Sadly, 90% never go to the authorities and the vast majority of claims expire before the victims are capable of getting to court. Most wrongdoings are done at the hands of family or family acquaintances. This bill would protect the children of Hawaii by making it possible for victims to come forward and identify their perpetrators in a court of law. It is justice for our victims.

"There are three compelling public purposes served by window legislation:

(1) The identification of previously unknown child predators to the public so children will not be abused in the future;

(2) Giving child sex abuse survivors a day in court; and

(3) Remedying the wrong done to child sex abuse survivors caused by an overly short statute of limitations that placed predators and their enablers in a preferred position to the victims.

"Statute of limitations reform is the one tried and true means that will identify the many hidden child predators, who are grooming other children as we speak. The "window" in California led to the public identification of over 300 perpetrators previously unidentified. Delaware also enacted a window, which has led to the public identification of dozens of perpetrators previously hidden.

"A number of improvements have been incorporated into this measure including pieces of Delaware and California law. Please do not let this bill slip away for the children of Hawaii. I urge the Members' support."

Representative Keith-Agaran's written remarks are as follows:

"Thank you, Mr. Speaker. I support SB 217, S.D. 2, H.D. 2, C.D. 1, which expands the ability of sex abuse victims to seek civil claims and damages for abuse that occurred during childhood. The bill revives for a two year period claims that were barred by the expiration of the former statute of limitations and eliminates the statute of limitations for any new acts of childhood sexual abuse. Persons who commit or have committed acts of childhood sexual abuse will be held accountable for their actions. As well, any legal entity that owes or owed a duty of care to the victim or exercise or exercised responsibility over the person who committed the act will be subject to liability.

"Incorporated into the bill are certain safeguards, including the requirement of a certificate of merit documenting a third party's professional conclusion that there is a reasonable basis to believe that the sexual abuse occurred. This bill will help to bring justice for past victims and protect children from sexual abuse in the future. I urge my colleagues to vote in favor of the bill."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 217, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LIMITATION OF ACTIONS," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 32 and S.B. No. 1025, SD 1, HD 1, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that S.B. No. 1025, SD 1, HD 1, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Aquino's written remarks are as follows:

"Thank you, Mr. Speaker. I rise in support of the measure. This bill would make an assault on a firefighter or water safety officer while they are performing their important duties, a felony. Mr. Speaker, this is needed to ensure that those who are keeping us safe from harm and danger can carry out their work without undue interference and harm upon themselves. This is a bill that our counties needed.

"Another part of the bill would also classify a felony offense for an individual who unlawfully enters a home where there are seniors, developmentally challenged, or incapacitated individuals. This is also sorely needed in our communities and neighborhoods, Mr. Speaker. Home invasions - especially on those who I have mentioned - can be a traumatic experience. The tougher punishment of a Class B felony seeks to protect our most vulnerable in our communities from those who prey on them. For those reasons Mr. Speaker, I strongly support this measure. Thank you."

Representative Cullen's written remarks are as follows:

"Mr. Speaker, I rise in support of SB 1025 SD1 HD1 CD1, which adds the assault of firefighters and water safety officers to the offense of assault in the second degree and creates a Class B felony for unauthorized entry in a dwelling based on occupant's age and incapacity. Firefighters and water safety officers are public safety employees who are responders to a number

of dangerous and rescue situations and are responsible to protect and render aid. Unfortunately, there have been incidents when individuals have used physical violence against these employees during the performance of their official duties. We need to provide the safety net for our firefighters and water safety officers and display their importance through the protection of this law by the consequence that may follow for those who may commit those unlawful acts.

"This measure also, includes a Class B felony for any unauthorized entry by any person that is not invited into a dwelling that is inhabited by someone who is sixty-two years of age or older, incapacitated, or/and has a developmental disability. It serves as a protection for lawful dwellers that are unable to defend themselves. This sends a message to the criminals that we care for our *kupuna* and if you want to do the crime than you will have to pay the consequences. Thank you, Mr. Speaker."

Representative Johanson's written remarks are as follows:

"I rise in support of SB 1025, Mr. Speaker. I am truly glad that through this measure, we are giving additional protection to our firefighters and water safety officers, who protect us and our community on a daily basis. Mr. Speaker, I am also very supportive of creating a Class B felony for criminals who prey on our seniors in their homes. We need to take greater care of our seniors and this measure creates greater levels of protection for the elderly and those who are most vulnerable."

Representative Keith-Agaran's written remarks are as follows:

"Thank you, Mr. Speaker. I stand in strong support of this bill which will protect firefighters and water safety officers from unnecessary harm from members of the public. Also, this bill will establish a new offense of unauthorized entry in a dwelling in the first degree, as a Class B felony, for intrusions into dwellings in which vulnerable individuals are present.

"Being a victim of a home invasion is very traumatic, and more so for the elderly and disabled individuals. Thus, this bill will reflect a stronger punishment against the perpetrators.

"Firefighters and water safety officers respond to many rescue incidents and are exposed to individuals who may use physical violence against them. This bill will provide protection in case such an event occurs."

Representative Choy's written remarks are as follows:

"Mr. Speaker, I rise in support of SB1025 SD1, HD1, CD1. This bill enhances penalties for those who assault life guards and firefighters, and also protects our senior and disabled population from home invasions.

"My speech focuses on the second part of the bill that will increase unlawful entry into a dwelling from a Class C felony to a Class B felony for those who enter a dwelling of another and there is person who is a senior or disabled individual in the dwelling when the unlawful entry occurs.

"Mr. Speaker, I fortunately have two older dogs, Maile and Tanner. Whenever a stranger comes into my driveway, my dogs alert me. Because they are getting older and probably losing some of the hearing, I even installed cameras outside my house.

"Some homes do not have dogs. One of my constituents, a senior citizen, was watching tv while someone invaded his home. From what his children told me, due to Alzheimer's disease, he was unaware of the break-in and the rummaging through his home. Lucky for him, he did not notice the intrusion. In another case, also involving a senior constituent, the man was beaten by the intruder.

"I am happy that the Conference Committee decided to make this crime a strict liability crime. In other words, if you enter into another's dwelling, you have just committed a felony if someone happens to be lawfully in the dwelling.

"With increased use in drugs, especially crystal methamphetamine, and I would like to also add even perhaps our economic situation, home break-ins seem to be increasing. Everyone should not live in fear of someone breaking into their homes. I hope this gives a strong tool to our prosecutors to stop criminals before they can do real harm.

"This bill should send a message to criminals that if they want to break into someone's home, they better knock first before entering because once they enter unlawfully and someone else is inside, tough luck! Thank you, Mr. Speaker."

Representative Kawakami's written remarks are as follows:

"Mr. Speaker and Members of the House. As the past President of the Hawai'i State Association of the Counties, and the one who first requested that this measure be introduced as part of its original legislative package, which was subsequently introduced this Session by both Speaker Say and Senate President Tsutsui, it is an honor to be able to see this piece of legislation move through the legislative process and be able to come here and actually shepherd this bill through its final passage. This measure is extremely important to the counties and the State as it protects those who are in charge of protecting us. I am so grateful for the support of my colleagues in both House and Senate in getting this measure passed."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1025, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PENAL CODE," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 33 and S.B. No. 1067, SD 1, HD 2, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1067, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PROBATION," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 34 and S.B. No. 285, SD 2, HD 2, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 285, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 36 and S.B. No. 806, SD 1, HD 2, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 806, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TEACHERS," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 38 and S.B. No. 1290, SD 1, HD 2, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1290, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAIIAN HOMES COMMISSION ACT, 1920, AS AMENDED," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 39 and S.B. No. 1331, SD 2, HD 2, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that S.B. No. 1331, SD 2, HD 2, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Keith-Agaran's written remarks are as follows:

"Thank you, Mr. Speaker. I support SB 1331, S.D. 2, H.D. 2, C.D. 1, which requires the University of Hawaii to report on certain special and revolving funds for a five year period. The bill's reporting requirements are reasonably limited to those funds with an unencumbered cash balance

of $1,000,000 or more, or a cash deficit of $1,000,000 or more at the end of the previous fiscal year, where the balance is greater than twenty-five percent of the previous fiscal year's expenditures. This bill will provide increased transparency and greater accountability of funds appropriated to the University of Hawaii.

"I urge my colleagues to vote in favor of the bill."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1331, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 42 and S.B. No. 742, SD 2, HD 1, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that S.B. No. 742, SD 2, HD 1, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Aquino's written remarks are as follows:

"Thank you, Mr. Speaker. I am in support of Senate Bill 742. This measure allows the State Fire Council to hire two positions: an administrator and an assistant. These positions allow the Council to carry out their statutory duties and to implement the reduced ignition propensity cigarette program which would be established in another measure.

"Currently, there is one part-time assistant who is carrying the water, Mr. Speaker. Should this bill pass, this would greatly help the Council fulfill its responsibility to provide public safety and health throughout our communities statewide. 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. 742, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE FIRE COUNCIL," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 43 and S.B. No. 1383, SD 2, HD 2, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that S.B. No. 1383, SD 2, HD 2, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Takai's written remarks are as follows:

"Mr. Speaker, I rise in support of this measure. For the past ten years, Hawaii 3R's has successfully put a dent in the public school repair and maintenance backlog by providing proactive schools with a way to complete needed repair and maintenance projects outside of the normal DOE process.

"Additionally, Hawaii 3R's provides community-minded businesses and organizations with a means to give back to the public schools across the state through donations and volunteerism.

"Another reason that I support Hawaii 3R's endeavors is that they have built a partnership with the Joint Venture Education Forum (JVEF), a partnership between the Department of Education and the United States Pacific Command.

"This relationship benefits not only military-impacted or military-partnered schools, but all of Hawaii's public schools through increased military partnerships. Through funding from JEVF, Hawaii 3R's can provide grants to over 100 military-impacted, dependent, or partnered schools.

"The level of support that the community has given to Hawaii 3R's and, more importantly, to the public schools is extremely encouraging.

"Skilled and unskilled volunteer labor from private businesses, the military, civic clubs, churches, teachers, parents, and students, combined with donations from community businesses and foundations, have all contributed to the success of Hawaii 3R's.

"I believe that it is necessary to continue to provide resources to support Hawaii 3R's. They have proven their commitment to improving the condition of public school facilities and promoting community involvement. 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. 1383, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SCHOOL REPAIR AND MAINTENANCE," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

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

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

Representative Hanohano's written remarks are as follows:

"Mr. Speaker, I rise in support for SB 2. This requires the Department of Land and Natural Resources to initiate and coordinate all efforts to establish a public lands information system. This public lands information system is long overdue and will assist decision makers in making crucial decisions in the usage of public lands. *He ali'i ka 'āina, he kauwa ke kanaka* (The land is chief, man is servant)."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC LAND," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 50 and S.B. No. 34, SD 1, HD 1, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that S.B. No. 34, SD 1, HD 1, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Keith-Agaran's written remarks are as follows:

"Thank you, Mr. Speaker. I support SB 34, S.D. 1, H.D. 1, C.D. 1, which makes necessary improvements to the procedures for small claims heard in the Tax Appeal Court. In particular, the bill prohibits pretrial discovery without the Tax Appeal Court's prior written approval, limits costs and fees that may be awarded to the prevailing party to fees paid directly to the Tax Appeal Court, and requires that appeals of decisions where a county is a party be served on the relevant county's Real Property Assessment Division.

"The existing procedures frustrate the purpose of the State's small claims tax appeal process and the costs of appeal can far exceed the amount of the dispute. This bill represents a balanced approach to the procedures for small claims before the Tax Appeal Court. I urge my colleagues to vote in favor of the bill."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 34, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TAX APPEALS," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 51 and H.B. No. 1094, HD 1, SD 2, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1094, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO COMMERCIAL DRIVER LICENSING," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 52 and H.B. No. 1241, HD 2, SD 2, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1241, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ABANDONED VEHICLES," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 53 and H.B. No. 555, HD 1, SD 1, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that H.B. No. 555, HD 1, SD 1, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Aquino's written remarks are as follows:

"Thank you, Mr. Speaker. I rise in strong support of House Bill 555. Mr. Speaker, this bill seeks to update and strengthen last session's graffiti bill. Some of the notable amendments include:

- Increasing the distance to remove graffiti through community service from one hundred yards to two hundred fifty yards of the original offense;
- Graffiti removal should not place the convicted person in danger and does not cause any public inconvenience; and
- In lieu of graffiti removal, the convicted person may serve up to one hundred hours of community service.

"Mr. Speaker, this bill allows some flexibility options for our court judges to sentence convicted persons. I truly believe this will help to better and beautify our communities while still providing stiff punishment for those who break the law. Thank you, Mr. Speaker."

Representative Johanson's written remarks are as follows:

"Thank you, Mr. Speaker. I rise in support of HB 555. I think this measure is an important part of the restitution process. Graffiti is a significant problem in my community as I know it is in many of my colleagues' communities as well. Graffiti can often be the precursor to further, more serious crime. Thus, we need to combat it early on for the good of our community. I believe this measure restores the community damaged by graffiti and holds the perpetrator accountable for their actions in a responsible, effective way that benefits all."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 555, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO GRAFFITI," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 54 and H.B. No. 866, HD 2, SD 2, CD 1:

Representative B. Oshiro 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 Evans.

Representative Tsuji's written remarks are as follows:

"Mr. Speaker I am in support of HB 866. Colleagues, this bill will help address the many challenges faced by Hawaii's apiary industry by allowing beekeepers to register with the Department of Agriculture (DOA).

"When this measure was first introduced, there was appropriation language. However, in Conference Committee that was deleted while retaining the provisions establishing the apiary program. DOA officials were consulted and they are agreeable to the CD1, as the Department is eager to begin the program.

"The devastating discovery of the Varroa mite on Oahu in 2007, and on the Big Island in 2008, indicates a need to improve the Department of Agriculture's ability to quickly respond and control further spread.

"Mr. Speaker, your Committee on Agriculture took great interest in earlier testimony stating that, "The lack of registration extremely hindered the initial responses to Varroa mite detections on Oahu in 2007, and on Hawaii Island in 2008. While beekeeping associations existed on these islands, precise knowledge of where beekeepers located hives in relation to first detection would have allowed the Department to develop better strategies to respond to Varroa mite incursions with careful consideration of the potential impacts on beekeepers."

"HB 866 is a good first step to address any new invasions, whether it is Varroa mite, small hive beetle or new pests or diseases to Hawaii. Beekeeping registration provides the DOA with a more effective mechanism for rapid response in times of need. I ask my colleagues to join me in support of this bill."

Representative Keith-Agaran's written remarks are as follows:

"Thank you, Mr. Speaker. I support HB 866, H.D. 2, S.D. 2, C.D. 1, which allows beekeepers to register with the Department of Agriculture so that the State may better address the challenges faced by the apiary industry in Hawaii. The State does not currently compile statistics on this industry and will benefit from beekeepers' data on apiary activity to develop statistical information. Information provided to the Department as part of this optional registration will be protected and kept confidential pursuant to chapter 92F, Hawaii Revised Statutes, though the name and business address of registrants will be made public. The bill also establishes an apiary program within the Department and requires it to report to the legislature on the effectiveness of beekeeper registration in keeping accurate statistics on the industry.

"The recent losses of Hawaii's bee colonies threaten honey production and agricultural production and the Department was limited in its ability to respond and support the apiary industry because it did not know the exact location of hives and the affected numbers of bees and colonies. This bill will allow the Department to take proactive steps to support beekeeping as registration will allow it to identify and locate beekeepers, survey beekeepers to determine if any new pests or diseases have been introduced to Hawaii's bee colonies, and provide services such as pest and disease diagnostics. By ensuring that Hawaii's beekeeping industry remains strong and vibrant we move closer to a sustainable Hawaii.

"I urge my colleagues to vote in favor of the bill."

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 AGRICULTURE," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 56 and H.B. No. 663, HD 2, SD 2, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that H.B. No. 663, HD 2, SD 2, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Keith-Agaran's written remarks are as follows:

"Thank you, Mr. Speaker. I stand in support of HB 663, a measure which provides consumers the benefit of greater transparency regarding renewal clauses in consumer contracts, and provides clarity to cancellation procedures for such contracts.

"Automatic renewal presents an unwanted burden to many consumers, who too often do not realize, upon entering into a contract, that such a provision even exists. It is only after being charged multiple times, sometimes without realizing it, that many consumers become aware that they are still paying for a service they no longer use. To compound the harm done, cancellation procedures for such contracts are often complicated and frustrating for the consumer. HB 663 HD2, SD2, CD1 allows for clarity and a greater level of simplicity and fairness for consumer contracts."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 663, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONTRACTS," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 58 and H.B. No. 931, SD 1, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that H.B. No. 931, SD 1, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Hanohano's written remarks are as follows:

"Mr. Speaker. This bill concerns small boat harbors in the State of Hawai'i and there was no referral to Committee of Hawaiian Affair. Small boat harbors are on public lands and the Committee on Hawaiian Affairs is tasked to examine public lands."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 931, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SMALL BOAT HARBORS," passed Final Reading by a vote of 48 ayes to 1 no, with Representative Jordan voting no, and with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 59 and H.B. No. 227, HD 2, SD 2, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that H.B. No. 227, HD 2, SD 2, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Nakashima's written remarks are as follows:

"Agricultural theft threatens the viability of our sustainable agriculture industry where profit margins are already razor thin, and farmers and ranchers toil long hours to make ends meet.

"In order to provide relief for Hawaii's farmers, this bill makes entering or remaining unlawfully on unimproved or unused agricultural lands without permission an offense of criminal trespass in the second degree if the lands are fenced, enclosed, or secured, or a sign is displayed. The bill would also establish a limited liability for agricultural land owners for any injury, death, loss, or damage suffered by a trespasser."

Representative Tsuji's written remarks are as follows:

"I am in support of this bill as it would help protect owners of unimproved and unused land by, among other things, making entering or remaining unlawfully on unimproved or unused agricultural lands without permission the offense of criminal trespass in the second degree if the lands are fenced, enclosed, or secured, or if a sign that meets certain criteria is displayed to provide notice. The bill also adds definitions for "agricultural land", "fallow", "owner", "trespasser", and "unimproved or unused lands".

"Testimony throughout this Session affirmed the merit of this bill as it sets the penalty for those who have long been exposed to liability resulting from injury or death of persons who commit the offense of criminal trespass onto the property

"By creating these definitions, owners and occupants of unimproved/unused land (including agricultural land which is fallow or has a visible presence of livestock or a crop) are now legally protected, and thus I am in support of HB227."

Representative Keith-Agaran's written remarks are as follows:

"Mr. Speaker. This measure provides owners and tenants of unimproved or agricultural lands with new legal remedies in the event of unauthorized entry to their lands.

"I introduced this bill as a vehicle to address a long-standing anomaly in our criminal trespass statute which hindered its effective use to combat agricultural theft and trespassing on our range and farmlands. The Hawaii criminal trespass statute included an unrealistic requirement for the landowner or occupier of "unimproved" range lands to provide actual notice to the trespasser that the trespasser – for example, perhaps an armed poacher – was encroaching on private land. This measure adds a new subsection to the Penal Code allowing for criminal prosecution for unlawful entry onto unimproved lands as criminal trespass in the second degree. By carefully defining "unimproved or unused land" and also requiring fencing or signage, it is my hope that that this new prosecutorial tool will only be used in the cases involving egregious willful intruders.

"I believe that the changes to the criminal law provisions in Hawaii Revised Statutes sections 708-800 and 708-814 better reflects the reality for ranchers and farmers in managing large tracts of open, sometimes fallow, acreage. The amendments hopefully will alleviate some of the frustration suffered by ranchers in dealing with poachers and other trespassers, and provides a better tool for police and other law enforcement officials to implement this law.

"I do have some reservations with the language added to the bill that carves out changes to Hawaii's civil liability law. Approximately 40 years ago, the Hawaii Supreme Court ruled that all landowners have "a duty to exercise reasonable care for the safety of all persons reasonably anticipated to be upon the premises," regardless of their legal status. Section 3 of this measure, establishes a new statutory limitation on the liability of agricultural landowners to trespassers, and therefore represents a different approach to the issue. I am encouraged, however, that this section of the measure applies only to agricultural land that is in excess of four acres, and is fenced or has clear signage to exclude the general public. Therefore it is my hope that this new limitation on landowner liability will not come to be utilized in the case of persons who innocently wander onto land that is not actively used for agriculture."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 227, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TRESPASS," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 62 and H.B. No. 1088, HD 1, SD 1, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1088, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CORRECTIONS," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 63 and H.B. No. 1049, HD 2, SD 2, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1049, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 64 and H.B. No. 909, HD 2, SD 2, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 909, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FAMILY COURT," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 65 and H.B. No. 1005, HD 2, SD 2, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1005, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHILD SUPPORT ENFORCEMENT," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 66 and H.B. No. 56, HD 2, SD 2, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that H.B. No. 56, HD 2, SD 2, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Johanson's written remarks are as follows:

"Mr. Speaker, I rise in support of HB 56. I believe grandparents play an important role in the health of child. My own grandmother was an integral part of my life and played such a significant role in my growth and development. This measure recognizes this unique bond between grandparent and grandchild and allows for grandparents to continue playing a role in a child's life and development. I wholeheartedly support any measure that furthers the best interest of Hawaii's children."

Representative Takai's written remarks are as follows:

"Mr. Speaker, I rise in support of this measure. In 2010, I attended the National Conference of State Legislators Annual Meeting where I met with Texas Senator Leticia Van de Putte who is a strong advocate for children, veterans, and quality public education. She currently serves as Chair of the Veteran Affairs and Military Installations Committee, and serves as a member of the Senate Committees on Education, State Affairs, and Business and Commerce and is the Chair of the Texas Senate Democratic Caucus.

"In Texas, Senator Van de Putte authored Senate Bill 393, relating to grandparents' visitation. She shared with me that after hearing of the heartbreak felt by so many families, she was compelled to help the children of military members who are deployed remain connected with their non-custodial parent's family. This legislation, similar to Hawaii's House Bill 56, allows visitation rights for grandparents with a judge's order. It permits family courts to award reasonable visitation to grandparents if denial of visitation would cause significant harm to the child. Additionally, it establishes presumption that visitation decisions by the parents are in the best interest of the child.

"Since the bill's passage in Texas, the protection has been proven effective in reinforcing family ties for children whose parents are mobile. Sen. Van de Putte was very pleased to hear that Hawaii is pursuing this law which ultimately, and most importantly, focuses on the well-being of children.

"There's tremendous value in meeting with colleagues from across the nation at conferences such as the NCSL Annual Meeting. In fact, I'm proud to mention that our very own Hawaii Medal of Honor has now been embraced by the State of Alaska and the State of New Hampshire."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 56, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHILD VISITATION," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 68 and H.B. No. 44, HD 1, SD 1, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 44, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PROSTITUTION," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 70 and H.B. No. 1654, HD 1, SD 1, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that H.B. No. 1654, HD 1, SD 1, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Choy's written remarks are as follows:

"Mr. Speaker, I rise in support of HB1654 SD1, HD1, CD1. This bill provides an automatic repeal of conditional use permits that have been issued, but not used within one year from issuance or have not been used within a one year period after issuance.

"I believe I have two examples of what this bill will do. We have two homes in Manoa that were used as youth transitional facilities. Currently, the organization has withdrawn from using these homes as youth transitional facilities. Others should be afforded an opportunity to use these permits. Testimony indicated that unless a permit is allowed to terminate, services that should be provided may not be available. It makes no sense to have an organization hold on to a permit it is not using. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1654, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO GROUP LIVING FACILITIES," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 72 and H.B. No. 597, HD 1, SD 1, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 597, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH CARE," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 73 and H.B. No. 616, HD 2, SD 2, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 616, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHILD CUSTODY," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 74 and H.B. No. 1003, HD 2, SD 2, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that H.B. No. 1003, HD 2, SD 2, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Keith-Agaran's written remarks are as follows:

"Thank you, Mr. Speaker. I support HB 1003, H.D. 2, S.D. 2, C.D. 1, titled the "Protect Victims of Domestic Violence Act." The bill provides greater protection to victims of domestic violence by elevating certain crimes where the victim had obtained against the defendant a temporary restraining order, protective order, or protection of the police, or where the victim was known to the defendant to be a witness in a family court proceeding. Crimes against these victims are currently insufficient to provide adequate deterrence and this bill will upgrade murder in the second degree to murder in the first degree, and the misdemeanor offenses of assault in the third degree and terroristic threatening in the second degree to the class C felony offenses of assault in the second degree and terroristic threatening in the first degree.

"The bill is part of the Hawaii Law Enforcement Coalition's legislative package and has full support of the Attorney General, the United States Attorney for the District of Hawaii, Prosecuting Attorneys of the four counties, and the Chiefs of Police of the four counties. The bill is intended to deter violence against victims of domestic violence that the courts and police have already recognized are in need of protection and are attempting to keep safe. By upgrading crimes against these victims, the State will help ensure their safety and stiffly punish those who defy temporary restraining orders, protective orders, or police orders.

"I urge my colleagues to vote in favor of the bill."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1003, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PENAL CODE," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 76 and H.B. No. 240, SD 1, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that H.B. No. 240, SD 1, CD 1, pass Final Reading, seconded by Representative Evans.

Representative M. Lee's written remarks are as follows:

"Mr. Speaker, I rise in support of this measure, which seeks to combat prostitution by including witnesses in cases that involve promoting prostitution amongst those that are afforded the greatest priority when determining whether the resources of the statewide witness protection program may be provided. Individuals who are caught being prostituted may cooperate with law enforcement if they are provided witness protection. Their testimony may help ensure the effective prosecution of those involved in prostitution activities and prevent more women from being victimized and exploited. For these reasons, I urge the Members' support."

Representative Keith-Agaran's written remarks are as follows:

"Thank you, Mr. Speaker. I stand in support of this measure, which implements several recommendations from law enforcement to make successful prosecution of existing sex trafficking laws more effective.

"First, the bill makes amendments to HRS 28-101, adding witnesses to cases involving promoting prostitution the highest priority to government protection. Such an inclusion affords those caught up in prostitution operations a greater sense of security in testifying, which can mean all the difference in the outcome of a sex trafficking case. Those with a financial stake in the promotion of prostitution often use fear and violence as tactics to ensure their victims stay silent. Providing witnesses with protection from these dangers can create a safe and productive dialogue with those witnesses to build a stronger case against those who've done wrong.

"This Conference Draft also refines our penal statutes to broaden the notion of the coercion used by sex trafficking promoters. This bill includes the use of fraud as a means to compel a person to engage in prostitution as an element of promoting prostitution in the first degree. We received testimony that a considerable number of those who are brought to Hawaii and forced to work as prostitutes under false pretenses by someone they believed they could trust. Broadening the definition of fraud provides an additional tool for the criminal prosecution of such deception. These changes were recommended by the Prosecutor's Office and the final language vetted with law enforcement and our Penal Code with the intent to improve and strengthen Hawaii's existing sex trafficking laws.

"Passing this legislation – or a stand-alone sex trafficking statute in place of our present prostitution law – however, will accomplish little unless our law enforcement agencies have adequate training to identify and pursue applicable cases – testimony indicated that law enforcement and other officials may not be able to distinguish the nuance between the culturally constructed prostitution case and the reality of coerced sex trafficking. Much of the debate over several Sessions has been the resistance of law enforcement officials to go beyond what the Trafficking Task Force recommended some years ago – changes that advocates for sex trafficking victims assert have not gone far enough and as a result have not been very effective. I would not be surprised if criminal convictions statistics do not markedly improve in bring sex trafficking promoters to justice until such information becomes a regular part of training for our law enforcement officials. Nevertheless, this bill marks a start towards a different mindset about criminal elements in the sex trade."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 240, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PROMOTING PROSTITUTION," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 77 and H.B. No. 141, HD 1, SD 1, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that H.B. No. 141, HD 1, SD 1, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Hanohano's written remarks are as follows:

"Mr. Speaker, I rise in support to HB 141. This bill establishes Class A and B felonies for labor trafficking offenses. This measure provides a clearer and more structural means for law enforcement agencies to protect and aid victims of trafficking. This statue moves the State of Hawai'i in the right direction of social justice."

Representative Keith-Agaran's written remarks are as follows:

"Thank you, Mr. Speaker. I stand in support of this measure to provide law enforcement with a clearer basis on which to protect victims of labor trafficking. Hawaii has for too long been a state without adequate safeguards to prevent our people, as well as those of other states and nations, living a life of servitude, and suffering in our islands.

"HB141 creates a single, comprehensive state statute to assist local law enforcement with a tool to pursue cases against modern day slavers. As in the case of the changes to our sex trafficking laws in HB 240 CD1, a key to effective use of this tool will depend on training officials to become aware of labor trafficking tactics and to use this statute to pursue these cases. The tragedy of the Thai labor cases is that victims were viewed as being in run-of-the-mill employee-employer wage disputes rather than enslaved in a criminal enterprise. How well this statute works will depend on the human beings charged with using its provisions to properly identify and to protect labor trafficking victims."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 141, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII PENAL CODE," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 78 and H.B. No. 1138, SD 2, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1138, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ATTORNEY'S LIENS," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 79 and H.B. No. 1071, HD 2, SD 1, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1071, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MENTAL HEALTH RELEASE ON CONDITIONS OF A PERSON FOUND UNFIT TO STAND TRIAL," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 80 and H.B. No. 593, HD 1, SD 1, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 593, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO NOMINATION PAPERS," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 81 and H.B. No. 716, HD 1, SD 1, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 716, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTIONS," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 85 and H.B. No. 4, HD 2, SD 2, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that H.B. No. 4, HD 2, SD 2, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Johanson's written remarks are as follows:

"I rise in support of HB 4, Mr. Speaker. I want to thank and congratulate my colleagues for their hard work on this measure, which is particularly important to many of the schools and communities in my district because of the significant number of military families we have within House District 32. This measure makes it easier for military children to transition into our local schools and provides realistic and helpful mechanisms for ensuring their success here in Hawaii. Given all the sacrifices our service members and their families make on behalf of our country, I am truly pleased that we are able to honor and recognize their service in this small, but significant way by ensuring that their children are able to excel in Hawaii's classrooms."

Representative Takai's written remarks are as follows:

"Mr. Speaker, I rise in strong support of this measure. Military children are our nation's children. Care of military children sustains our fighting force and strengthens the health, security and safety of our nation's families and communities.

"Military families move between postings on a regular basis, and while reassignments can often be a boon for career personnel, they can be difficult for the children of military families. I have been working closely with Retired Brigadier General Norman Arflack and Rick Masters from the Military Interstate Children's Compact Commission (MIC3). General Arflack is the Executive Director of MIC3 and Rick Masters is the Legal Counsel MIC3. We have been working for the past couple of years to resolve the educational transitional issues that are faced by these children and their families stationed in Hawaii.

"The average military student faces transition challenges more than twice during high school and most military children will attend six to nine different school systems in their lives from kindergarten to 12th grade. The overall purpose of this measure is to make permanent Hawaii participation in the Interstate Compact on Educational Opportunity for Military Children (ICEOMC), which attempts to permanently remove educational barriers faced by children of military families due to frequent moves and deployment of military parents.

"Enacted first in 2009, Act 152 allowed Hawaii to join the Interstate Compact on Educational Opportunity for Military Children for two years. Act 152 has a lapse date of June 30, 2011. HB4 will remove the lapse date and will permanently ease the transition for the military children so that they are afforded the same opportunities for educational success as other children and are not penalized or delayed in achieving their educational goals.

"The bill recognizes and addresses the issues and the uniqueness of Hawaii's state-wide school system, such as allowing Hawaii's tuberculosis clearance requirement and allowing the child of a deployed service member to continue and finish the school year at the school currently enrolled while in the custody of a guardian. Hawaii will be joining 36 other states that have adopted the compact. Hawaii State Commissioner Brigadier General (ret.) Dr. Kathleen Berg heads our State councils and works tirelessly with military-impacted schools of the terms of the compact.

"Since the 2008 legislative session, my staff and I have worked with numerous organizations and individuals to analyze how Hawaii supports children who frequently move into and out of our education system. Together with Department of Education Military School Liaison Cherise Imai, Senator Jill Tokuda, former Senator Norman Sakamoto, and Representative Roy Takumi, I have worked diligently over the past decade to build a comprehensive partnership between the military and our school system to understand and recognize the unique challenges facing military children and their families. The success of the Interstate Compact in Hawaii highlights the support behind the Military Appreciation Package that my office coordinates each session. These bills, resolutions and appropriations that make up this package demonstrate the Legislature's support and appreciation of Hawaii's military community.

"The Military Appreciation Package was created to support the efforts of our men and women who have served throughout our history and all who now serve in uniform and their families, as well as, those Americans who have given their lives in defense of our freedoms we all enjoy today The pieces of legislation that comprise the Military Appreciation Package address some of the many challenges facing our military personnel and their families, including significant recruitment and retention issues, especially for the National Guard and Reserves. It honors, remembers, recognizes and appreciates all military personnel.

"Every session, my staff and I work closely with legislators in the House and Senate, representatives from the active, Guard, and Reserve branches of the military, veteran groups, and concerned individuals to address the needs of our military men and women and their families. This session, thanks in large part to the efforts of Lisa Vargas and Kristine Duong from my office, the package includes eleven bills, seven resolutions and over $66 million in FY2011-2012 and over $63 million in FY2012-2013 in capital improvements funds to build or improve facilities. In the seven years I have been coordinating this package, I am fairly certain that this has been our most successful package to date.

"Over the years, we have introduced various measures to address veterans' cemeteries improvements, educational benefits and tuition assistance for service members, creating the Gold Star Family license plates, military base capital improvement projects, tax exemptions on vehicles, adjustment of deadlines for State and county elections to accommodate overseas voters, and funding for the National Guard Youth Challenge Academy. If there is any way we can assist the needs of our military men and women and their families, you can be sure we will find it.

"May is National Military Appreciation Month, as designated by Congress, and provides a time and place on which to focus and draw attention to our many expressions of appreciation and recognition of our armed services via numerous venues and also to recall and learn about our vast American history. It recognizes those on active duty in all branches of the services, the National Guard and Reserves plus retirees, veterans, and all of their families - well over 90 million Americans and more than 230 years of our nation's history.

"On May 1, 2011, President Barack Obama delivered the news that many families, soldiers and veterans have waited for nearly a decade to hear. Word of Al Qaeda leader Osama Bin Laden's death caused a national – and even international – pent-up sigh of relief. But with relief also came memories . . . memories of those who could not be here with us to celebrate the news – those whose deaths have led us to this day.

"On the fateful sunny Tuesday morning in September just ten years ago, 2,819 U.S. citizens in New York, Pennsylvania and Washington D.C. would not live to see September 12. With heavy hearts, we also bid 'aloha' to members of our own Hawaii *ohana*: Georgine Corrigan, Christine Snyder, Heather Ho, Maile Hale, and Rich Y.C. Lee.

"In response, U.S. military forces activated around the country and in our global bases on a mission to bring those responsible for the heinous murders to justice. We discovered soon after that the man taking credit for the attacks was Osama Bin Laden. From then on, the U.S. led a world-wide man hunt for him.

"Since 2001, 5,900 valiant members of our U.S. Army, Navy, Air Force, Marine Corps, and Coast Guard (including our Army and Air National Guard) have given their lives in this pursuit. As President Obama solemnly reaffirmed, "The American people did not choose this fight. It came to our shores, and started with the senseless slaughter of our citizens. After nearly 10 years of service, struggle, and sacrifice, we know well the costs of war."

""Freedom isn't Free" isn't just a catchy bumper sticker – it's a declaration that those who defend our country with their lives do so for the millions of other Americans they have never and will never meet.

"One of the most unfortunate consequences of war is the loss of our men and women in uniform. The establishment of the Hawaii Medal of Honor in 2005 has allowed the Legislature and the entire State of Hawaii to recognize military personnel with Hawaii ties killed in action. The Legislature held, for the sixth time, a Joint Session this past March to honor and award Hawaii's fallen soldiers and their families with the Hawaii Medal of Honor. A total of 284 service members have been honored since March 29, 2003.

"I would like to include the following report from Brigadier General (ret.) Kathleen Berg, who also serves as Hawaii's State Commissioner for the MIC3. In this report, General Berg details the activities over the past two years."

Military Interstate Children's Compact Commission
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Report on Activities of the Hawaii State Commissioner and the Hawaii State Council of the Interstate Compact on Educational Opportunity for Military Children (ICEOMC)

May 2, 2011

As we near the two-year anniversary of the passage of Hawaii's Interstate Compact law, I would like to recount the major accomplishments to date of the Interstate Compact on Educational Opportunity for Military Children (ICEOMC) Hawaii State Commissioner and the ICEOMC Hawaii State Council.

After Hawaii's law was signed in June 2009, making the state a member of the ICEOMC, the Hawaii Department of Education (HIDOE) embraced the compact and immediately began implementation of the law, beginning with the recommendation for appointment of the state commissioner. After Board of Education approval, I was appointed in October 2009 and began working with the HIDOE military liaison Ms. Cherise Imai, who acts as the administrative assistant for the commissioner. The HIDOE covers the operation of the ICEOMC Hawaii State Council through Ms. Imai's office.

As the state commissioner, I am responsible for the administration and management of the state's participation in the compact. My duties include chairing the state council and setting its agenda and activities as well as representing Hawaii on the national commission (nicknamed MIC3 for Military Interstate Children's Compact Commission), which is made up of commissioners from each of the compact member states. Shortly after my appointment, I attended the second annual meeting of the national commission where the final set of compact rules was approved for implementation by the member states starting January 2010. At that meeting I was elected to serve as the commission vice chair for 2009–2010, and I joined the Training and Communications Committee. I remain active on that committee and was re-elected last year as vice chair for 2010–2011. Through my membership on the MIC3 Executive Committee, as vice chair, I have given Hawaii a prominent voice in the operation of the commission, and Hawaii has benefited from visits the past two years by commission leadership and legal counsel, who have helped answer questions from our local constituency about the compact and Hawaii's compact law. I have also played an integral role in identifying, adapting, and creating training materials for use by state commissioners for their role in providing training to their state school personnel about the compact and its provisions to ease the transition of military children from school to school as their families move with each change of station or deployment of their military parent.

At the end of 2009, I worked closed with the HIDOE military liaison to coordinate with the military services in Hawaii as well as with the other agencies represented on the state council to identify our members and hold the first state council meeting. Starting with that meeting on April 22, 2010, the council has held a total of seven official meetings and one informational meeting; our next official meeting is scheduled for June 16, 2011. We have had a very active state council.

The council is a cooperative partnership composed of seventeen members including the governor, legislators, education and military representatives. While other states have identified one military representative for their councils, Hawaii has included representatives of the Army, Air Force, Navy, Marines, Coast Guard, and the United States Pacific Command. Superintendents from school complex areas with a high number of military dependents are included to complete the forum. The state commissioner is an ex-officio member of the council and presides over the meetings.

Over the past year, our state council formed into a wonderfully collaborative and productive group. We had a great start, with the Governor of Hawaii attending our first meeting in person to give appropriate emphasis to the importance of our job—to provide the coordination among relevant agencies of government, local education agencies, and military installations concerning the state's participation in, and compliance with, the compact and Interstate Commission activities. Our success was due to the individuals who made up the council, including leadership from the legislative education committees, superintendents from the HIDOE, and uniformed military representatives with authority and rank who had children of their own in Hawaii public schools and were supportive, constructive, and experienced from their work with the Joint Venture Education Forum. When action was needed, the people in the room were the ones who could make it happen. Listed below are some of the major achievements of the council during the first year of its operation.

- Establishment of an appeal process that parents can use to get redress for decisions at the school level that they feel violate the rules of the compact
- Selection of a military family education liaison to assist military families and the state in facilitating the implementation of the compact
- Examination of placement issues in high school involving algebra and state history courses when similar or prerequisite courses are taken in middle/intermediate school
- Clarification of requirements for the Board of Education Diploma in terms of course substitution
- Exploration of the rules and requirements in athletics in the public schools through an ad hoc committee with participation by both civilian and military members
- Word-by-word examination of Hawaii's compact law with changes as recommended in preparation for the reauthorization of the state law to make Hawaii a permanent member of the Interstate Compact
- Solicitation of support and testimony for passage of the reauthorization legislation

Meetings of the council resulted not only in decisions on major issues, but in rich discussions of educational topics often not directly related to the compact but of importance to the military community. Through such discussions understanding and appreciation grow, bridges are built, and relationships are developed that strengthen understanding and cooperation. From my work chairing the council came an invitation from Major General Terry to be part of the US Army TV Town Hall meeting in July 2010; I presented a briefing on the compact that was followed up with commentary by MG Terry. Subsequently, a recording of the briefing and comments was made available to us for posting on the HIDOE website devoted to the Interstate Compact, which, by the way, was set up through the efforts of Ms. Cherise Imai as part of the "Aloha, Military Families and Students" (AMFAS) website hosted by the department. That website also contains all the agendas and minutes of council meetings as well as links to educational materials, news articles,

bios, compact rules, and other information relevant to the Interstate Compact and Hawaii's participation.

Ms. Imai also coordinated a very aggressive communication program of briefings, forums, and formal training sessions conducted by the state commissioner and the military family education liaison. I have briefed the Board of Education, HIDOE Leadership Team, Military Youth Advisory Council, and Hawaii Joint Interservice Regional Support Group (HJIRSG) and held forums with the military School Liaison Officers (SLOs) and the Military Impacted Principals Council. I conducted formal training for principals at several different complex area meetings throughout Oahu; the military family education liaison (Mr. Darren Dean) and Ms. Imai conducted training sessions for school registrars as well as some principals. Mr. Dean and I both participated in the Hawaii Joint Spouse Conference at an information table for the Interstate Compact. My status as a retired brigadier general as well as the ICEOMC state commissioner garners me invitations to military events, allowing another venue for publicizing Hawaii's role in the Interstate Compact. Ms. Imai is coordinating a schedule to provide training to the rest of the school principals in the state this year, and we are exploring the use of web-based presentations for periodic refreshers as well as initial training for new principals. The ICEOMC training report is updated regularly and posted on the AMFAS website.

Ms. Imai's role in the work of the state commissioner and the council is invaluable, and this relationship has turned out to be an ideal organization for the smooth execution of the provisions of the Interstate Compact. It surely accounts for much of the success we have enjoyed in Hawaii in the implementation of the compact rules within the HIDOE, communicating and educating through briefings, forums, and training sessions. According to the national commission's executive director, Brig Gen (Ret) Norman Arflack, who visited Hawaii in April of this year, Hawaii and Virginia are the furthest along in compact implementation of the 35 member states, and Hawaii's state council is the most active. I am very pleased and proud to have played a part in these efforts, working with the dedicated educators of the HIDOE as well as with committed civilian and military leadership, to ease the transition of military dependent students in and out of Hawaii public schools.

Hawaii has sometimes been a target of negative attention and press regarding our school system and our efforts to improve the education for our children. This is why I was so please to see an article written in the local military paper about the Interstate Compact. The following is the article taken from

Representatives, military, educators meet for interstate compact
Hookele – Pearl Harbor Hickam News
Apr 23, 2011

Karen S. Spangler
Managing Editor

Mainland representatives from the National Interstate Compact Commission in Kentucky met with members of the Hawaii State Educational Opportunity for Military Children (also referred to as the Military Interstate Children's Compact Commission or MIC3) on April 15 to discuss ways to improve the quality of education and address unique challenges faced by children of military families.

Rep. K. Mark Takai Hawaii State Representative of (District 34- Aiea, Pearl City), military leaders, Hawaii Department of Education officials and educators convened at Lehua Elementary School in Pearl City, host school for the Friday session. Lehua is one of the 45 schools in Hawaii that have significant populations of military dependent students.

Sixth grade students at Lehua welcomed guests and offered presentations and slam poetry, talking about what they experienced as their parents leave on deployment and the ensuing separations. They also used the strategies of the "Seven Habits of Highly Effective People" in their presentations.

Beginning this school year, Lehua implemented the "Seven Habits" by Steven Covey in its curriculum. Known in schools as "The Leader in Me" program, students learn the habits of success and leadership skills as part of their curriculum.

Fay Toyama, principal at Lehua Elementary, explained that 61 percent of the school's students are military dependents, according to the school's official enrollment count day in August 2010. She emphasized the importance of the interstate compact to help children from military families as they transition to schools in other states.

"The interstate compact is important for all students to continue their education as much as possible with the least amount of interruption, especially at the primary school level when the basic foundations are established for lifelong learning," Toyama said.

"When students are enrolled after the school year starts, they are missing out on learning, as well as the social aspects of being among peers. The compact allows for students to transition as smoothly as possible when their parents are transferred from one duty station to another," she added.

Brig. Gen. (retired) Norman Arflack, executive director of the National Interstate Compact Commission, and Rick Masters, legal counsel to the commission, highlighted the significance of the military in celebration of the Month of the Military Child and the importance of the compact for military children.

Arflack commended the state of Hawaii on the accomplishments that it has made with regard to the compact. "If every state had the organization and structure Hawaii has, there would no challenges. You have broken the code here in Hawaii," he said.

Masters noted that other states look to Hawaii as a model and that Hawaii is one of the most active state models in the nation. "Other states monitor what is being done here. This is what the compact is about," he said.

So far, 36 states have joined the interstate compact. According to Arflack, the 36 states that are currently members of the compact represent almost 78 percent of the military student population.
The goal is for all 50 states and U.S. territories to eventually be part of the compact. Six states, including New York, Pennsylvania, Vermont, Nebraska, North Dakota and Nevada, currently have pending legislation.

Arflack said that Hawaii has the largest number of representatives in military uniform. "It's important to have senior leaders sitting around the table with educators and making decisions," he said. Arflack noted that the participation between all military branches and the Department of Education is an important part of Hawaii's program and what makes it so successful.

Brig. Gen. (ret.) Kathleen F. Berg who serves as the state commissioner for Hawaii for the Interstate Commission on Educational Opportunity for Military Children, added, "We have a really nice working model here [in Hawaii]. There needs to be a lot of sharing among states."

Takai discussed the significance of the military involvement. "We have considerable participation from all branches of the military [Department of Defense] and homeland security with the Coast Guard," he said.

"We go to the mainland and we are one of the models that other states look to for guidance," he noted.

"Our military children, just like our local children, deserve the very best. We work tirelessly to meet the special needs and demands of being a military child," Takai added.

Hawaii enacted Act 152 in 2009 that allowed Hawaii to join the Interstate Compact on Educational Opportunity for Military Children for two years. Currently, the legislature is discussing reauthorization of the law under House Bill 4 for the enactment of the interstate compact on

educational opportunity for military children, which was introduced by Takai.
"The interstate compact strengthens and builds on Hawaii's support to our military community. The compact will ease the challenges created when children are uprooted from school as parents are transferred or are deployed," Takai explained.

There are common problems that impact military students as a result of frequent moves and deployments. States that join the compact agree to work together with other "compact" states in creating uniform standards of practice regarding transfer of school records, course placement, graduation requirements, redundant or missed testing, and entrance age variations.

"The overall purpose of the interstate compact is to remove educational barriers faced by children of military families due to frequent moves and deployment of military parents," Takai said.

Arflack emphasized the importance of the interstate compact for military children. "We're trying to see that military kids aren't disadvantaged," he said.

"[Military] children talk about how tough it is when their parents deploy. We have to do what we can do as a commission to relieve that burden," Arflack said.

For more information about the Interstate Compact on Educational Opportunity for Military Children, visit the Aloha, Military Families and Students (AMFAS) website at http://militaryfamily.k12.hi.us/ or www.mic3.net."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 4, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE INTERSTATE COMPACT ON EDUCATIONAL OPPORTUNITY FOR MILITARY CHILDREN," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 89 and H.B. No. 1052, HD 2, SD 1, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1052, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 90 and H.B. No. 1079, HD 2, SD 1, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1079, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FEES FOR HABITAT CONSERVATION PLANS," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 91 and H.B. No. 1000, HD 2, SD 2, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1000, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ENHANCED 911 SERVICES," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 94 and H.B. No. 423, HD 1, SD 1, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 423, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 95 and H.B. No. 855, HD 1, SD 1, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 855, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST PACIFIC POWER AND WATER COMPANY, INC., IN THE DEVELOPMENT OF HYDROPOWER FACILITIES IN HAWAII," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 98 and H.B. No. 545, HD 1, SD 1, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that H.B. No. 545, HD 1, SD 1, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Keith-Agaran's written remarks are as follows:

"Thank you, Mr. Speaker. I stand in support of HB 545, which facilitates the elections office creating a system for online voter registration by the 2014 election.

"This measure is a step toward increasing voter access to, participation in, and turnout for, Hawaii's elections – all of which play a significant role in ensuring the integrity of our State's electoral system. A comprehensive process by which to allow voters to register with greater ease is what Hawaii needs to increase our comparatively low level of voter participation. Using technology to ease the registration process is one step towards providing full opportunity for our people to participate in elections."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 545, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO VOTER REGISTRATION," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 99 and H.B. No. 828, HD 2, SD 1, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that H.B. No. 828, HD 2, SD 1, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Keith-Agaran's written remarks are as follows:

"Thank you, Mr. Speaker. I strongly support this bill which addresses cash business tax enforcement in a more practical and business friendly fashion. This measure requires that those businesses conducting more than ten taxable transactions per day in cash to offer a receipt or other record and maintain a record of all business transactions whether generated by hand or cash register.

"This measure repeals the penalty for failure to record transactions by cash register and clarifies that a receipt and record of cash transactions may be hand written or generated by a cash register. This will allow merchants at a farmers' market and craft fairs a fairer and more practical way to comply with tax reporting requirements.

"This is a step forward towards addressing the issue of merchants compliance to insure that cash transactions are property reported and general excise taxes are paid on such transactions."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 828, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 100 and H.B. No. 838, HD 2, SD 1, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No.

838, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO REAPPORTIONMENT," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 101 and S.B. No. 1089, SD 1, HD 2, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1089, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DISLOCATED WORKERS," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 104 and S.B. No. 163, SD 1, HD 1, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 163, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE BONDS," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 108 and S.B. No. 1348, SD 2, HD 3, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1348, SD 2, HD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII HEALTH INSURANCE EXCHANGE," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 109 and S.B. No. 1174, SD 2, HD 1, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1174, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHARTER SCHOOLS," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 110 and S.B. No. 1284, SD 2, HD 1, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1284, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 112 and H.B. No. 1333, HD 1, SD 1, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1333, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SMALL CLAIMS COURT," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 116 and H.B. No. 761, HD 1, SD 2, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that H.B. No. 761, HD 1, SD 2, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Jordan's written remarks are as follows:

"I stand in strong support of HB 761, HD1, SD2, CD1 – Relating to Intellectual Disabilities. The purpose and intent of this bill is to change references to "mental retardation" or like terms in the Hawaii Revised Statutes to "intellectual disability" or like terms. This bill follows a national movement led by self-advocates to use people-first language that is less offensive and more respectful, and to eliminate the negative stigma that is associated with the term mental retardation or like terms. Two of my constituents submitted testimony on this measure before the House Humans Services Committee and both individuals shared their personal experience in supporting this measure. These individuals are the champions that we should recognize in this nationwide effort and in representing their voice. It is my privilege to stand in strong support of 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. 761, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INTELLECTUAL DISABILITIES," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 117 and H.B. No. 1045, HD 1, SD 2, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1045, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 120 and H.B. No. 1342, HD 1, SD 2, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that H.B. No. 1342, HD 1, SD 2, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Nakashima's written remarks are as follows:

"This bill would exempt broadband infrastructure improvements from State or county permitting requirements for five years, under certain conditions. This is necessary to support a federal grant to expand broad band access to all of our public schools and for efforts to achieve federal "narrow banding" requirements for first responders as set by the Federal Communication Commission. This legislation will also assist in efforts by the University of Hawaii to provide broadband access to all public schools and libraries in the State of Hawaii bringing this important resource to rural communities in the State."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1342, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TELECOMMUNICATIONS," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 122 and H.B. No. 1089, HD 1, SD 1, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1089, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONFORMITY OF THE HAWAII INCOME TAX LAW TO THE INTERNAL REVENUE CODE," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 123 and H.B. No. 960, HD 1, SD 2, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 960, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LOW-INCOME HOUSING," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 124 and H.B. No. 1405, HD 1, SD 1, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that H.B. No. 1405, HD 1, SD 1, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Hanohano's written remarks are as follows:

"Mr. Speaker. This bill implements smart growth principles without using indigenous principles that have been established by the host culture (*kanaka maoli*). This bill uses states (Maryland and Florida) that are not island oriented."

Representative Nakashima's written remarks are as follows:

"In order to preserve Hawaii's natural resources for future generations, it is important to identify and plan for a system of greenways and trails statewide. Many of these valuable natural resources have already been diminished by the need for development and growth, however it is not too late to set out a policy of preserving greenways and trails to insure that the needs for growth are balanced by the desire to preserve Hawaii as a very special place."

Representative Jordan's written remarks are as follows:

"I speak in strong support of HB 1405, HD1, SD1, CD1 – Relating to Planning. The purpose of this bill is to promote smart growth and sustainability in the State by requiring the Office of Planning to develop a plan to establish a statewide system of greenways and trails. The City and County of Honolulu Department of Planning and Permitting testified in support of this bill and explained that "such a plan would provide enhanced predictability for local communities and the community planning process and would allow for more systemic planning, design and funding of greenway and trail projects." The Outdoor Circle and Sierra Club Hawaii Chapter also submitted testimony in support of this measure. This bill is the first step in a process toward a broader examination of other elements of smart growth, including an analysis of the long-term land use planning needed to support Hawaii's energy and food needs. Thus, I ask for your support of 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. 1405, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PLANNING," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 126 and H.B. No. 1082, HD 1, SD 2, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1082, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE CONSERVATION AND RESOURCES ENFORCEMENT SPECIAL FUND," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 134 and S.B. No. 1482, SD 1, HD 1, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1482, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC UTILITIES COMMISSION," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 135 and S.B. No. 146, SD 1, HD 2, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 146, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO BIOFUEL," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 136 and S.B. No. 1244, SD 2, HD 1, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1244, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO BIOFUELS," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 142 and H.B. No. 1568, HD 2, SD 2, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that H.B. No. 1568, HD 2, SD 2, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Tsuji's written remarks are as follows:

"This bill protects Hawaii's natural environment from the threat of invasive species and assists Hawaii's agricultural industry. It would establish biosecurity and inspection facilities at major State airports and harbors to strengthen and support Hawaii's agricultural industry and protect Hawaii's environment from invasive species.

"In Governor Abercrombie's *A New Day in Hawaii* publication, he stressed *"A strong economy is not one based on unfettered consumption of our natural resources, but instead one that is sustainable over time."* One of the bullet points that followed was to *"Improve prevention, management, and response system for invasive species."*

"We are keenly aware that Hawaii's beauty is a fragile and complex ecosystem that can be destroyed by any introduction of invasive species. Hawaii's geographical isolation results in importation of most of the products that we use. This creates numerous pathways for invasive pests to arrive here. Stopping the threat of invasive species at ports of entry by constructing and operating biosecurity facilities is the most effective and economical means of protecting our islands.

"Modern, enclosed inspection facilities will provide safeguards and will also assist the agricultural industry in alleviating the delay experienced when shipping perishable items out-of-state. Also, the biosecurity facilities will serve as a barrier to the exporting of invasive species to other parts of the world, which may result in embargos and quarantines of our produce and goods.

"DOA and DOT would collaborate to make these facilities. I believe this is appropriate especially when you think about the many ways goods arrive in Hawaii and who is responsible for the necessary inspections.

"Evidence shows that *preventing* a new pest establishment is much more economical than eradicating a pest or, even worse, controlling it indefinitely once it is established. Mr. Speaker, the State has already seen the negative effects of having less ag inspectors defending our ports of entry. We cannot further risk the future of Hawaii's agriculture by letting our guards down against invasive species. Colleagues please join me in support of HB 1568."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1568, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

At 10:55 o'clock a.m. the Chair noted that the following bills passed Final Reading:

S.B. No. 172, SD 2, HD 2, CD 1
S.B. No. 1483, SD 1, HD 1, CD 1
S.B. No. 45, HD 1, CD 1
S.B. No. 283, SD 1, HD 1, CD 1
S.B. No. 1278, SD 1, HD 2, CD 1
S.B. No. 101, SD 1, HD 2, CD 1
S.B. No. 105, SD 2, HD 1, CD 1
S.B. No. 44, SD 1, HD 1, CD 1
S.B. No. 758, SD 1, HD 2, CD 1
S.B. No. 1277, SD 2, HD 2, CD 1
S.B. No. 142, SD 1, HD 1, CD 1
S.B. No. 1213, SD 1, HD 1, CD 1
S.B. No. 1503, SD 2, HD 1, CD 1
S.B. No. 40, SD 2, HD 2, CD 1
S.B. No. 217, SD 2, HD 2, CD 1
S.B. No. 1025, SD 1, HD 1, CD 1
S.B. No. 1067, SD 1, HD 2, CD 1
S.B. No. 285, SD 2, HD 2, CD 1
S.B. No. 806, SD 1, HD 2, CD 1
S.B. No. 1290, SD 1, HD 2, CD 1
S.B. No. 1331, SD 2, HD 2, CD 1
S.B. No. 742, SD 2, HD 1, CD 1

S.B. No. 1383, SD 2, HD 2, CD 1
S.B. No. 2, SD 2, HD 1, CD 1
S.B. No. 34, SD 1, HD 1, CD 1
H.B. No. 1094, HD 1, SD 2, CD 1
H.B. No. 1241, HD 2, SD 2, CD 1
H.B. No. 555, HD 1, SD 1, CD 1
H.B. No. 866, HD 2, SD 2, CD 1
H.B. No. 663, HD 2, SD 2, CD 1
H.B. No. 931, SD 1, CD 1
H.B. No. 227, HD 2, SD 2, CD 1
H.B. No. 1088, HD 1, SD 1, CD 1
H.B. No. 1049, HD 2, SD 2, CD 1
H.B. No. 909, HD 2, SD 2, CD 1
H.B. No. 1005, HD 2, SD 2, CD 1
H.B. No. 56, HD 2, SD 2, CD 1
H.B. No. 44, HD 1, SD 1, CD 1
H.B. No. 1654, HD 1, SD 1, CD 1
H.B. No. 597, HD 1, SD 1, CD 1
H.B. No. 616, HD 2, SD 2, CD 1
H.B. No. 1003, HD 2, SD 2, CD 1
H.B. No. 240, SD 1, CD 1
H.B. No. 141, HD 1, SD 1, CD 1
H.B. No. 1138, SD 2, CD 1
H.B. No. 1071, HD 2, SD 1, CD 1
H.B. No. 593, HD 1, SD 1, CD 1
H.B. No. 716, HD 1, SD 1, CD 1
H.B. No. 4, HD 2, SD 2, CD 1
H.B. No. 1052, HD 2, SD 1, CD 1
H.B. No. 1079, HD 2, SD 1, CD 1
H.B. No. 1000, HD 2, SD 2, CD 1
H.B. No. 423, HD 1, SD 1, CD 1
H.B. No. 855, HD 1, SD 1, CD 1
H.B. No. 545, HD 1, SD 1, CD 1
H.B. No. 828, HD 2, SD 1, CD 1
H.B. No. 838, HD 2, SD 1, CD 1
S.B. No. 1089, SD 1, HD 2, CD 1
S.B. No. 163, SD 1, HD 1, CD 1
S.B. No. 1348, SD 2, HD 3, CD 1
S.B. No. 1174, SD 2, HD 1, CD 1
S.B. No. 1284, SD 2, HD 1, CD 1
H.B. No. 1333, HD 1, SD 1, CD 1
H.B. No. 761, HD 1, SD 2, CD 1
H.B. No. 1045, HD 1, SD 2, CD 1
H.B. No. 1342, HD 1, SD 2, CD 1
H.B. No. 1089, HD 1, SD 1, CD 1
H.B. No. 960, HD 1, SD 2, CD 1
H.B. No. 1405, HD 1, SD 1, CD 1
H.B. No. 1082, HD 1, SD 2, CD 1
S.B. No. 1482, SD 1, HD 1, CD 1
S.B. No. 146, SD 1, HD 2, CD 1
S.B. No. 1244, SD 2, HD 1, CD 1
H.B. No. 1568, HD 2, SD 2, CD 1

The Chair then announced:

"Members, please remember to submit to the Clerk your list of bills on the Consent Calendar for which you will be inserting written comments, in support or in opposition. This must be done before the adjournment of today's Floor session."

ORDINARY CALENDAR

UNFINISHED BUSINESS

Representative McKelvey, for the Committee on Economic Revitalization & Business presented a report (Stand. Com. Rep. No. 1755) recommending that S.C.R. No. 111, SD 1, be adopted.

Representative B. Oshiro moved that the report of the Committee be adopted, and that S.C.R. No. 111, SD 1, be adopted, seconded by Representative Evans.

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:

"SCR 111 SD1 provides a Sunrise Review on SB 1522, SD2, HD1 which requires the regulation of large scale commercial dog breeders and dog breeding facilities. This Review will be instituted by the Auditor for the Department of Commerce and Consumer Affairs which would become the licensing and regulating authority for commercial dog breeders.

"Although legislation was introduced this Session regulating dog breeders, several issues must first be considered in order to produce effective laws which consistently prevent and discourage puppy mills while allowing reputable hobby breeders to continue producing quality healthy dogs. Limits on dogs, whether it is one or one hundred, may not address the puppy mill problem as much as establishing strict health and housing requirements for dogs. These standards of care should include adequate food, fresh water, clean housing, socialization, regular vet care and limits on numbers of litters which can be produced by a breeding female.

"The Sunrise Review will consider not only how many breeders will be impacted by this legislation, but how effective licensing will be on eliminating puppy mills. SCR 111 SD1 will enable us to enact legislation which works, rather than pass a law which will prevent dog hobbyists from breeding healthy and happy family pets."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.C.R. No. 111, SD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE AUDITOR TO CONDUCT A SUNRISE REVIEW OF THE REGULATION OF LARGE-SCALE DOG BREEDERS AND DOG BREEDING FACILITIES," was adopted, with Representatives Carroll and Pine being excused.

Representative B. Oshiro moved to agree to the amendments made by the Senate to the following House Bills, seconded by Representative Evans and carried: (Representatives Carroll and Pine were excused.)

H.B. No. 467, HD 2, (SD 1)
H.B. No. 924, HD 2, (SD 2)
H.B. No. 1056, HD 1, (SD 2)
H.B. No. 1107, HD 1, (SD 2)
H.B. No. 1434, HD 2, (SD 1)

The Chair addressed the Clerk who announced that the record of votes for the appropriate measures had been received which indicated that the requisite number of House Conferees appointed had agreed to the amendments made by the Senate, and had cast affirmative votes to report said measures to the Floor for final disposition.

H.B. No. 467, HD 2, SD 1:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 467, HD 2, on the following showing of Ayes and Noes:

Ayes, 5 (Rhoads, Keith-Agaran, Yamashita, Wooley and Fontaine). Noes, none. Excused, none.

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, H.B. No. 467, HD 2, SD 1, entitled: "A BILL FOR AN ACT RELATING TO WHISTLEBLOWERS' PROTECTION," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

H.B. No. 924, HD 2, SD 2:

Representative B. Oshiro moved that H.B. No. 924, HD 2, SD 2, pass Final Reading, seconded by Representative Evans.

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

Representative Cabanilla's written remarks are as follows:

"Mr. Speaker, I am in strong support of HB 924 HD2, SD2.

"This measure simply reinstates insurance coverage that has been previously paid for by certain construction companies that may have been inadvertently dissolved by a court ruling. This measure will ascertain if the companies can cover any liabilities incurred from construction defect, thereby ultimately benefiting the consumers and our citizens. I thank the members in supporting the intent of this legislation and the benefits that it will bring to our State."

The motion was put to vote by the Chair and carried, and H.B. No. 924, HD 2, SD 2, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

H.B. No. 1056, HD 1, SD 2:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 1056, HD 1, on the following showing of Ayes and Noes:

Ayes, 5 (Takumi, Rhoads, Yamashita, Belatti and Johanson). Noes, none. Excused, 1 (Saiki).

Representative B. Oshiro moved that H.B. No. 1056, HD 1, SD 2, pass Final Reading, seconded by Representative Evans.

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

Representative Johanson's written remarks are as follows:

"Thank you, Mr. Speaker. I rise in support of HB 1056. I think this measure is important in helping equip our schools with quality talent at the administrative level. By making current certification routes for principals and vice principals more flexible, we are allowing for an infusion of potentially non-traditional, but equally valuable and effective administration in our local schools. I hope this change will infuse new ideas, experiences and vibrancy into the Department of Education and our classrooms – a clear benefit to all of our students."

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

Representative Awana's written remarks are as follows:

"Thank you, Mr. Speaker. I stand in support. This bill will provide for highly qualified individuals to be certified principals and vice-principals in our school system. Allowing the Department of Education with options will assist with the ongoing challenges our schools face – administrators who may not have the necessary documentation in one area, but yet may excel in another area which is equally beneficial to becoming an administrator. For these reasons I am in support. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and H.B. No. 1056, HD 1, SD 2, entitled: "A BILL FOR AN ACT RELATING TO THE CERTIFICATION OF PRINCIPALS AND VICE-PRINCIPALS," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

H.B. No. 1107, HD 1, SD 2:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 1107, HD 1, on the following showing of Ayes and Noes:

Ayes, 3 (Aquino, B. Oshiro and Fontaine). Noes, none. Excused, 2 (Ito and Takai).

Representative B. Oshiro moved that H.B. No. 1107, HD , SD 2, pass Final Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. May I have a ruling on a potential conflict? I'm a member of the Hawaii Army National Guard," and the Chair ruled, "no conflict."

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

Representative Takai's written remarks are as follows:

"Mr. Speaker, I rise in strong support of this measure. Last year, President Obama selected Honolulu as the host for the annual Asia-Pacific Economic Cooperation (APEC) Leaders Meeting in November 2011. The Asia-Pacific Economic Cooperation is the premier forum for cooperation among Asia-Pacific economies on trade and investment issues.

"The annual APEC gathering is one of the world's largest intergovernmental meetings and is attended by heads of state, cabinet ministers, heads of the World Bank and World Trade Organization, and other business leaders. This will be the single largest gathering of distinguished world leaders in Hawaii's history.

"Scheduled for the week beginning November 13, 2011, the meetings will be very beneficial for Hawaii's economy, as they are expected to draw more than ten thousand people to Honolulu and will provide a boost to the State's struggling tourism industry.

"High profile events, such as the Asia-Pacific Economic Cooperation meetings, carry many security concerns. With security preparations already underway, it is in the State's best interest to maximize its security resources.

"HB 1107 will help increase the capability of our Hawaii National Guard – "Hawaii's own" – in using the appropriate level of force during civil disturbance and riots, as well as enhance our Hawaii National Guard's readiness in a federal mobilization and deployment in support of the Global War on Terrorism.

"Currently only our Hawaii Law Enforcement (Police and Sheriffs) are allowed to use electric guns. This hinders the Hawaii National Guard's ability to adequately support Hawaii Police should they need our valued assistance in preventing and deterring civil disturbances and riots.

"Passing HB 1107 will allow our Hawaii National Guard to be prepared for our Federal Mission to protect the United States. Currently Active Duty units are training in non-lethal instruments to include electric guns in order to provide the appropriate level of force during situations in deployments to Afghanistan.

"Allowing our Hawaii National Guard to possess and train on electric guns will increase our readiness and prepare our Soldiers in the event of a deployment overseas for the Global War on Terrorism. It is necessary for the safety and protection of our Soldiers and Airman who are put into harm's way. Thank you."

The motion was put to vote by the Chair and carried, and H.B. No. 1107, HD 1, SD 2, entitled: "A BILL FOR AN ACT RELATING TO THE

HAWAII NATIONAL GUARD," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

H.B. No. 1434, HD 2, SD 1:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 1434, HD 2, on the following showing of Ayes and Noes:

Ayes, 3 (Rhoads, Yamashita and Cullen). Noes, none. Excused, none.

Representative B. Oshiro moved that H.B. No. 1434, HD 2, SD 1, pass Final Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. May I get a ruling on potential conflict? At my law firm I represent contractors. Thank you," and the Chair ruled, "no conflict."

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

Representative Johanson's written remarks are as follows:

"Mr. Speaker, I rise in opposition to HB 1434. I wholeheartedly believe that people should be fairly compensated for their hard work. I also believe that people who willfully violate prevailing wage laws should be held accountable for their actions. However, this measure leaves no room for an employer who made an honest mistake in calculating wages. By making each violation punishable instead of grouping systematic mistakes into one single violation, the consequences for honest mistakes are more than punitive – they can be crippling for our local businesses. We need to take actions that help businesses to thrive here in Hawaii and I do not believe, despite its intent, that this bill will accomplish that. Rather, it has the potential to negatively impact our small businesses and Hawaii's economy."

The motion was put to vote by the Chair and carried, and H.B. No. 1434, HD 2, SD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC WORK PROJECTS," passed Final Reading by a vote of 42 ayes to 7 noes, with Representatives Ching, Fontaine, Johanson, Marumoto, Riviere, Thielen and Ward voting no, and with Representatives Carroll and Pine being excused.

At 11:00 o'clock a.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 467, HD 2, SD 1
H.B. No. 924, HD 2, SD 2
H.B. No. 1056, HD 1, SD 2
H.B. No. 1107, HD 1, SD 2
H.B. No. 1434, HD 2, SD 1

At 11:01 o'clock a.m. Representative B. Oshiro requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 11:02 o'clock a.m.

Conf. Com. Rep. No. 7 and S.B. No. 281, SD 2, HD 2, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 281, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ANIMAL INDUSTRY," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 8 and S.B. No. 1493, SD 1, HD 3, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that S.B. No. 1493, SD 1, HD 3, CD 1, pass Final Reading, seconded by Representative Evans.

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

"Mr. Speaker, I rise in support. Brief comments, please. A brief comment that when astronomy is your number one industry, and as a world leader, darkness is a natural resource. This bill is about protecting the 30 meter telescope and having the resource of darkness not intercept what it's done. It may sound trivial, but we're the leaders of astronomy in the world and we have the 30 meter telescope.

"Mr. Speaker, this is an important bill, even though it has a 'twinkle, twinkle, little star' kind of title to it and people look otherwise. It's very serious. Thank you."

Representative Morikawa 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 Morikawa's written remarks are as follows:

"In support with reservations. The goal of this measure is an excellent one, especially when you can plan future lighting projects to achieve it. The consequence, however, are the costs for replacement fixtures. The decorative lamp posts will all need to conform and may not look appealing unless all lamp posts are changed at the same time. These costs will be tremendous to the Counties, State and other businesses."

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

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

Representative Jordan's written remarks are as follows:

"I speak in support of SB1493, SD1, HD3, CD1 – Relating to Light Pollution. Artificial lighting has many negative impacts on biological and cultural resources. It affects Hawaii's astronomical observatories, impeding the viewing of the stars, which is important for Native Hawaiian Cultural Practices. It also affects native wildlife populations, like turtles and marine birds, who are often disoriented and disrupted by the glare from unshielded outdoor lighting. There is a duty of protection owed for natural areas that attract native wildlife at locations such as Kaena Point and Kaneilio Point on Oahu that house habitats for Newell Shearwaters and Hawaiian Sea Turtles and this legislation is just one step toward that protection. The use of shielded lights will reduce light above the horizontal plane and direct it toward populated areas, where it is needed. This will improve energy efficiency and reduce light pollution."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1493, SD 1, HD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LIGHT POLLUTION," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 9 and S.B. No. 631, SD 1, HD 2, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that S.B. No. 631, SD 1, HD 2, CD 1, pass Final Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. On Conference Committee Report No. 9, Senate Bill 631, Relating to Renewable Energy, I'm voting in favor of it, but I do have one strong reservation. Thank you.

"Mr. Speaker, unfortunately this bill will allow the use of B Class land, agricultural land classified as B, B as in boy, which means that it is much more valuable agricultural land. Some renewable energy projects could really prohibit the use of the B land then for agricultural purposes. I think we could have done this without including that land in there, and I thought at one point that was going to be removed, but it isn't. So that's my reservation. 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. 631, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO RENEWABLE ENERGY," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 12 and S.B. No. 975, SD 1, HD 2, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that S.B. No. 975, SD 1, HD 2, CD 1, pass Final Reading, seconded by Representative Evans.

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 975, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO APPRAISALS," passed Final Reading by a vote of 42 ayes to 7 noes, with Representatives Belatti, Hanohano, C. Lee, Luke, Rhoads, Saiki and Takai voting no, and with Representatives Carroll and Pine being excused.

At 11:06 o'clock a.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 281, SD 2, HD 2, CD 1
S.B. No. 1493, SD 1, HD 3, CD 1
S.B. No. 631, SD 1, HD 2, CD 1
S.B. No. 975, SD 1, HD 2, CD 1

Conf. Com. Rep. No. 13 and S.B. No. 1519, SD 3, HD 2, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1519, SD 3, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MORTGAGE LOAN ORIGINATORS," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 18 and S.B. No. 14, SD 2, HD 1, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 14, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURAL DEVELOPMENT," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 20 and S.B. No. 298, SD 3, HD 3, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 298, SD 3, HD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO BUSINESS REGULATION," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 21 and S.B. No. 1485, SD 1, HD 1, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that S.B. No. 1485, SD 1, HD 1, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Morikawa 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 Morikawa's written remarks are as follows:

"With strong reservations. Employees deserve fair treatment. There is a process in place to deal with personnel issues. One of the causes of a failing school is the lack of motivation, guidance and training. I hope that the Superintendent of Education will do what's best for our children and respect the rights of our teachers and other DOE employees."

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

Representative Nakashima's written remarks are as follows:

"Mr. Speaker, I stand in opposition to this measure. This bill, would allow the Superintendent of Education to reconstitute a public school. Mr. Speaker, this measure is necessary because of our failure to implement a meaningful and effective evaluation and in-service training program for the public schools.

"School principals receive woefully inadequate training in the execution of the teacher evaluation program and teachers are denied the opportunity to succeed in their chosen profession.

"Principal evaluation is almost non-existent. It consists of a form and a few pages of notes, but falls well short of the policy mandate for administrator performance contracts as mandated in Act 51.

"Mr. Speaker, without a system of evaluation, feedback and when necessary corrective action, our public school system cannot move forward and succeed in the "Race for the Top." This bill does nothing to improve the school system or to address the needs of staffing inadequacies as it merely allows the superintendent to "pass the trash." Our students deserve better than this Mr. Speaker."

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

Representative Keith-Agaran rose to speak in support of the measure with reservations, stating:

"In support with some slight reservations that I'd like to put into written comments."

Representative Keith-Agaran's written remarks are as follows:

"Thank you, Mr. Speaker. I have reservations on SB1485 SD1 HD1 CD1 which would allow the Superintendent to reconstitute a public school that has been in restructuring for four or more years.

"I respect the present Superintendent of Education. I worked with her in the Cayetano Administration and personally know she is a smart and effective administrator. However, until the Department of Education has produced an adequate and comprehensive evaluation of Hawaii's public school teachers and administrators, it is premature to allow the Superintendent the sweeping powers to remove some or all of a public school's personnel. This measure raises particular concerns in regard to our rural and Neighbor Island schools, where the retention of successful principals and teachers may be jeopardized.

"Our current law already authorizes the Superintendent with enough authority to make changes when existing policies and agreements are respected and followed. Shortcuts are no substitute for carefully considered reform. I fear that too many times policymakers believe that creating a law completes the reform mission. But as the State has experienced with Act 51 and other past efforts, follow-through, implementation and changing an entrenched culture takes more than tough words in the Hawaii Revised Statutes."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1485, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO RECONSTITUTING SCHOOLS," passed Final Reading by a vote of 40 ayes to 9 noes, with

Representatives Chang, Cullen, Hanohano, Ito, Kawakami, McKelvey, Nakashima, Souki and Wooley voting no, and with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 22 and S.B. No. 1282, SD 1, HD 1, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1282, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 24 and S.B. No. 986, SD 2, HD 3, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 986, SD 2, HD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE CRIMINAL JUSTICE SYSTEM," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 26 and S.B. No. 181, SD 1, HD 1, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that S.B. No. 181, SD 1, HD 1, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Cabanilla 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.B. No. 181, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PHOTOVOLTAIC-READY NEW RESIDENTIAL HOMES," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

At 11:08 o'clock a.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 1519, SD 3, HD 2, CD 1
S.B. No. 14, SD 2, HD 1, CD 1
S.B. No. 298, SD 3, HD 3, CD 1
S.B. No. 1485, SD 1, HD 1, CD 1
S.B. No. 1282, SD 1, HD 1, CD 1
S.B. No. 986, SD 2, HD 3, CD 1
S.B. No. 181, SD 1, HD 1, CD 1

At 11:09 o'clock a.m. Representative B. Oshiro requested a recess and the Chair declared a recess subject to the call of the Chair.

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

Conf. Com. Rep. No. 28 and S.B. No. 106, SD 1, HD 1, CD 1:

Representative B. Oshiro moved that notwithstanding the recommendations contained in Conference Committee Report No. 28, that S.B. No. 106, SD 1, HD 1, CD 1, be recommitted to the Committee on Conference, seconded by Representative Evans.

The motion was put to vote by the Chair and carried, and S.B. No. 106, SD 1, HD 1, CD 1, entitled "A BILL FOR AN ACT RELATING TO THE HAWAII PENAL CODE," was recommitted to the Committee on Conference, with Representatives Awana, Carroll and Pine being excused.

Conf. Com. Rep. No. 27 and S.B. No. 49, SD 1, HD 2, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 49, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CORRECTIONAL FACILITIES," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 29 and S.B. No. 1068, SD 1, HD 1, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1068, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ANIMAL CRUELTY," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 31 and S.B. No. 229, SD 1, HD 2, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that S.B. No. 229, SD 1, HD 2, CD 1, pass Final Reading, seconded by Representative Evans.

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

Representative M. Lee's written remarks are as follows:

"Mr. Speaker, I rise in strong support of this measure. Domestic abuse takes a heavy toll on both victims and their employers, including increased security and safety concerns, reduced productivity, and increased healthcare costs. As a result, victims of domestic abuse can face a loss of their jobs at a time when employment and financial independence is critical.

"The act of firing (or not even hiring) prohibits the victim from earning a living wage with which to support her children, lowers her confidence and inhibits her ability to further pursue employment, causes other potential employers to see her in a less positive light, jeopardizes the ability to maintain a place to live, increases the risk of depression and increases the likelihood of having to go on public assistance. Women retreat back to their abuser because they do not have the finances to leave. All of these negative effects only serve to re-victimize the victim.

"We are hopeful Hawaii can follow the footsteps of Illinois, New York City, Connecticut, Rhode Island and Westchester County in New York State who have enacted legislation to ban discrimination against a victim of domestic violence, sexual assault, or stalking. Other states have safety accommodations such as screening phone calls, allowing the employee to work in the back of the office with a lock on the door, etc. As of now, the time frame allowed to the victim is case by case.

"The Conference draft adds a provision that allows employers to request the employee provide corroboration of their victim status in order for the protections available under section 378-2, Hawaii Revised Statutes, to apply. This provision will help address employer concerns over abuse of protection under the new law.

"Leaving things the way they are is not an option. How many more cases do we need to review in order make changes? This bill offers protection and reassurance that the victim will have stable employment through tumultuous times. State legislation that models the previously introduced federal SAFE Act would enable battered women to seek safety while working towards financial independence."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 229, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYMENT RELATIONS," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 35 and S.B. No. 1394, SD 1, HD 1, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that S.B. No. 1394, SD 1, HD 1, CD 1, pass Final Reading, seconded by Representative Evans.

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

"In strong support, Mr. Speaker, and I would like permission to insert written comments."

Representative Cabanilla's written remarks are as follows:

"Mr. Speaker, it is extremely difficult to find affordable housing in Hawaii. This bill authorizes the HPHA to enter into contracts with developers to develop public housing projects in exchange for commercial space in the project.

"Public-private partnerships can bring much needed affordable housing. Mixed use developments are in line with Smart Growth design. Residents are then in close proximity to shopping and other community amenities. They become less dependent on cars or other transportation as they are able to walk to these services.

"And concomitantly, commercial space can be situated in high traffic areas, while residents can be placed on higher floors, giving more privacy and quiet. Mixed use development is the wave of the future. It is a win-win for both developers and residents.

"Mr. Speaker and colleagues, please support SB 1394, SD 1, HD 1 , CD 1, which will put Hawaii on track with developing affordable sustainable housing."

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

Representative Johanson's written remarks are as follows:

"Thank you, Mr. Speaker. I am in support of SB 1394. I believe this innovative measure has the potential to vastly improve the quality of life and create greater self-sufficiency in public housing complexes by potentially offering residents nearby and convenient places to work and shop. It also encourages local businesses to invest in our community and in affordable housing. I hope that a creative idea such as this can reduce the cost of living and offer our neighbors a good home, not merely an adequate shelter."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1394, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HAWAII PUBLIC HOUSING AUTHORITY," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 37 and S.B. No. 1511, SD 1, HD 2, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that S.B. No. 1511, SD 1, HD 2, CD 1, pass Final Reading, seconded by Representative Evans.

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

Representative Keith-Agaran's written remarks are as follows:

"Thank you, Mr. Speaker. The bill will increase the maximum lease terms for aquaculture operations from 35 to 65 years, and allow aquaculture lessees who are in good standing to renew their leases; and thus, would encourage greater commercial aquaculture production in the State of Hawaii. I have reservations however, about the environmental and cultural impact of expanding commercial finfish open ocean cage aquaculture operations.

"We have yet to understand how offshore aquaculture will impact our environment. This type of industrial aquaculture has introduced parasites and diseases into the wild fish stocks of the Canadian Coast. Also, experiments in Hawaii have encountered lost cages, escaped fish, and damaged coral. In allowing any extension, the Department of Land and Natural Resources should include appropriate conditions for monitoring environmental effects and for modification of the leases to deal with adverse impacts on natural resources.

"Thus, I support SB1511, SD1, HD2, CD1 with reservations."

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

Representative Tsuji's written remarks are as follows:

"SB 1511 would give parity to aquaculture leases with other ag leases. Increasing aquaculture lease terms to sixty-five years and allowing aquaculture lessees who are in good standing to renew their leases would only encourage greater commercial aquaculture production in the State.

"Furthermore, this bill assists all aquafarms that are approved for State leases, including near-shore saltwater aquaculture, inland freshwater aquaculture and aquaponics, and even revival of Hawaiian fishponds if they are owned by the State.

"Speaking more broadly, this bill addresses the public's growing interest in food security and self-sufficiency in Hawaii, as we currently import approximately 90% of our seafood.

"The value of Hawaii's aquaculture production has nearly doubled in the last 12 years, to more than $32 million in 2009. This measure would increase the maximum lease terms for aquaculture and aquaponics farms, which would encourage investment in farm facilities and allow farmers greater access to Federal loan guarantees."

Representative Jordan 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 Jordan's written remarks are as follows:

"I would like to express my reservations on SB 1511, SD1, HD2, CD1, which increases the maximum term for aquaculture leases from thirty-five years to a maximum term of sixty-five years. While the purpose of this bill is to encourage commercial aquaculture production in the State by providing favorable terms for leasing of public lands, it does so at the expense of ensuring fair competition. This legislature should also consider whether this bill complies with Article XI, Section 1 of the State Constitution, which specifies that "all public natural resources are held in trust by the State for the benefit of the people." As the trustee of Hawaii's natural resources, we have a duty and responsibility to "promote the development and utilization of these resources in a manner consistent with their conservation" for the benefit of present and future generations."

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

Representative Belatti 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. 1511, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AQUACULTURE," passed Final Reading by a vote of 45 ayes to 4 noes, with Representatives Awana, Belatti, Hanohano and C. Lee voting no, and with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 40 and S.B. No. 1347, SD 1, HD 2, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1347, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC UTILITIES COMMISSION," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

At 11:12 o'clock a.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 49, SD 1, HD 2, CD 1
S.B. No. 1068, SD 1, HD 1, CD 1
S.B. No. 229, SD 1, HD 2, CD 1
S.B. No. 1394, SD 1, HD 1, CD 1

S.B. No. 1511, SD 1, HD 2, CD 1
S.B. No. 1347, SD 1, HD 2, CD 1

Conf. Com. Rep. No. 41 and S.B. No. 1520, SD 2, HD 3, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that S.B. No. 1520, SD 2, HD 3, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Jordan 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 Jordan's written remarks are as follows:

"I rise to express my reservations with SB 1520, SD2, HD3, CD1 – Relating to Government. I would like to first thank the Chairs of the Hawaiian Affairs and Finance Committees because I believe that the House Draft 3 version of the bill recognizing the native Hawaiian people as the only indigenous, aboriginal, *maoli* people of Hawaii is the more prudent approach than this Conference Draft 1. State recognition of a reorganized native Hawaiian governing entity and ultimately formal federal recognition, must be driven by the native Hawaiian people, not the State of Hawaii. Because my district encompasses a large native Hawaiian population, I must express my reservations with this bill and impress upon this Body the importance of consulting the native Hawaiian people before moving beyond a single statement of recognition to the establishment of a process for a reorganized Native Hawaiian governing entity."

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 S.B. No. 1520, SD 2, HD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO GOVERNMENT," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 45 and S.B. No. 23, SD 1, HD 2, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that S.B. No. 23, SD 1, HD 2, CD 1, pass Final Reading, seconded by Representative Evans.

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.B. No. 23, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO NATIVE HAWAIIANS," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 46 and S.B. No. 903, SD 1, HD 1, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that S.B. No. 903, SD 1, HD 1, CD 1, pass Final Reading, seconded by Representative Evans.

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

Representative Cabanilla's written remarks are as follows:

"Mr. Speaker, SB 903, SD 1, HD 1, CD 1, creates the affordable rental housing development program and allows nonprofit organizations to acquire expiring United States Department of Housing and Urban Development, or United States Department of Agriculture housing contracts and ensures the projects remain affordable.

"This bill specifies that affordable units under the affordable rental housing development program shall be held to the same maintenance requirements as those of different target income groups or mixed use development, and shall not be subject to deferred maintenance.

"Mr. Speaker, affordable rental housing is one of the most pressing needs in the State. This bill will allow nonprofits to help contribute to increasing the stock of affordable housing. Also, it will ensure that these units are maintained with the same standard of quality as moderate and high income units.

"Mahalo Mr. Speaker and colleagues, for supporting SB 903, SD 1, HD 1, CD 1, and hence, affordable rental housing."

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

"Thank you, Mr. Speaker. On Conference Committee Report No. 46, I'd like to vote in favor with reservations, mostly because of the term, 'in perpetuity.' 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. 903, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HOUSING," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 47 and S.B. No. 1154, SD 2, HD 1, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1154, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HISTORIC PRESERVATION," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 48 and S.B. No. 1530, SD 1, HD 2, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that S.B. No. 1530, SD 1, HD 2, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Jordan 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 Jordan's written remarks are as follows:

"I stand with reservations on SB1530, SD1, HD2, CD1, which authorizes the Board of Land and Natural Resources to extend leases of public lands for hotel or resort use. The problem with this bill is that it allows for an extension of the lease period for the use of public lands to 55 years. This lease provides security for business owners who will theoretically use that security to invest in their properties. However, it neglects the public's interest to ensure State land is leased through public auction and fair procedures. The long lease term also restricts the lease values through time, limiting State revenues and making it difficult to keep up with market rents. Having incremental increases in lease terms would be in the State's best interest as it would allow the State to generate revenue and ensure that properties are maintained and yielding the greatest return."

Representative Hanohano 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 Hanohano's written remarks are as follows:

"Mr. Speaker, I rise in support with reservations on SB 1530. This bill authorizes the Board of Land and Natural Resources to extend leases of public lands for hotel or resort use upon approval of a proposed development agreement to make substantial improvements to the existing improvement. This bill was not referred to the Committee of Hawaiian Affairs and this Committee is tasked to examine public lands."

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

Representative Keith-Agaran's written remarks are as follows:

"Thank you, Mr. Speaker. I support this bill which would authorize the Board of Land and Natural Resources to extend leases of public lands for hotel and resort use upon approval of a development agreement to make substantial improvements to the property.

"Improvements to hotel and resort infrastructure are important to the growth of Hawaii as a visitor destination. However, if you are a lessee involved with a lease that will expire in a few years, there is little incentive for you to reinvest in the premises.

"This bill provides for a lease extension to enable the private sector the incentive to improve Hawaii's hotel facilities. It encourages investment, which in turn ensures that Hawaii remains competitive as a destination while providing enhancements to the visitor experience. This measure may help revitalize, for example, the Banyan Drive area on the Big Island."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1530, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC LANDS," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 49 and S.B. No. 1555, SD 2, HD 2, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that S.B. No. 1555, SD 2, HD 2, CD 1, pass Final Reading, seconded by Representative Evans.

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

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

Representative Keith-Agaran's written remarks are as follows:

"Thank you, Mr. Speaker. I rise in support with some reservations with this measure. This measure purports to establish the Public Land Development Corporation to administer an appropriate and culturally-sensitive public land development program that makes optimal use of public lands for the economic, environmental, and social benefit of the State.

"Despite this three-fold projected benefit to the State, this measure mostly includes economic betterment such as conducting market analysis to determine the best revenue-generating programs for the public lands and providing leadership for the development, financing, improvement, or enhancement of the selected development opportunities.

"In a time of austerity, restoring the development function of the land department may be counterproductive.

"The Department of Land and Natural Resources (DLNR) should focus on natural resources and sustainability rather than organizing to support a new development mandate.

"However, if this effort will provide additional resources to DLNR's primary mission, I will support the proposal."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1555, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF LAND AND NATURAL RESOURCES," passed Final Reading by a vote of 40 ayes to 9 noes, with Representatives Awana, Belatti, Brower, Hanohano, Jordan, C. Lee, Luke, Saiki and Wooley voting no, and with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 55 and H.B. No. 319, HD 1, SD 1, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that H.B. No. 319, HD 1, SD 1, CD 1, pass Final Reading, seconded by Representative Evans.

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

"Mr. Speaker. Can I please get a ruling on a potential conflict? At my law firm I represent owners and builders who are builders. 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. 319, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO OWNER-BUILDERS," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

At 11:17 o'clock a.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 1520, SD 2, HD 3, CD 1
S.B. No. 23, SD 1, HD 2, CD 1
S.B. No. 903, SD 1, HD 1, CD 1
S.B. No. 1154, SD 2, HD 1, CD 1
S.B. No. 1530, SD 1, HD 2, CD 1
S.B. No. 1555, SD 2, HD 2, CD 1
H.B. No. 319, HD 1, SD 1, CD 1

Conf. Com. Rep. No. 75 and H.B. No. 243, HD 1, SD 1, CD 1:

Representative B. Oshiro moved that notwithstanding the recommendations contained in Conference Committee Report No. 75, that H.B. No. 243, HD 1, SD 1, CD 1, be recommitted to the Committee on Conference, seconded by Representative Evans.

The motion was put to vote by the Chair and carried, and H.B. No. 243, HD 1, SD 1, CD 1, entitled "A BILL FOR AN ACT RELATING TO ANIMAL CRUELTY," was recommitted to the Committee on Conference, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 57 and H.B. No. 680, SD 2, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 680, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO KAKAAKO," passed Final Reading by a vote of 44 ayes to 5 noes, with Representatives Belatti, Brower, Hanohano, Morikawa and Takumi voting no, and with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 60 and H.B. No. 985, HD 2, SD 2, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that H.B. No. 985, HD 2, SD 2, CD 1, pass Final Reading, seconded by Representative Evans.

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

Representative Johanson's written remarks are as follows:

"Mr. Speaker, I rise in support of HB 985. I am in favor of a strong, robust construction industry here in Hawaii, as well as a better business environment as a whole here in our State. However, I do have concerns about possibly setting the precedent of financially incentivizing unsuccessful bidders in a free market economy. Successfully winning a

bid should provide the strongest incentive to submit the highest quality design. The winning bidders should be rewarded for their ingenuity and hard work. I can support this bill because it does not automatically mandate subsidizing all unsuccessful bids. However, I do think we need to be careful to support the small business community without necessarily directly subsidizing it."

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

"Thank you, Mr. Speaker. Can I get a ruling on a potential conflict, please? At my law firm I represent owners, contractors, and design professionals. Thank you," and the Chair ruled, "no conflict."

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

"Mr. Speaker, may I have a ruling on potential conflict? At my law firm I do some counseling and representation for procurement issues. 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. 985, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PROCUREMENT," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 61 and H.B. No. 117, HD 2, SD 2, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that H.B. No. 117, HD 2, SD 2, CD 1, pass Final Reading, seconded by Representative Evans.

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

"In support with some comments. Thank you, Mr. Speaker. When this bill left the House it was in pretty good shape. But it came back across from the Senate, in my opinion, in a very bad way. In Conference Committee we were able to fix it.

"There's one piece that's a bit ambiguous and I would like to, and that's why I'm standing now is that there is a statement that final subdivision is not included. In the Committee Report it was agreed upon that it would state that this clarification has no impact on tentative subdivision approval.

"So I just wanted to be clear for the record and in the Journal that it was the Committee's agreement that this change does not affect in any way the processing of tentative subdivision approvals regarding SMAs. Thank you."

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

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

"Thank you, Mr. Speaker. I have reservations on this measure as well, and I'd like to have remarks put into the Journal. There were a number of things that were done in Conference Committee that made it quite frustrating for the affected public to weigh in as changes and things took place, and deletions took place. And so I will be a bit more thorough in my remarks in the Journal."

Representative Thielen's written remarks are as follows:

"In favor, but with reservations. Legislators had a golden opportunity this Legislative Session to achieve two goals: update permitting for smaller projects while increasing protection for shoreline resources. The outcome? A big gift to shoreline developers, and a backroom change that took out the promised shoreline protection.

The Bill

"At first, HB 117 HD2 SD2 had promise. The purpose of HB 117 was to allow for the expeditious processing and approval of minor construction projects within special management areas (SMAs). This accelerated process was to offset construction costs and shortage of personnel in the county planning departments.

Purpose of Special Management Areas

"Special management areas are places in which coastal resources are likely to be impacted by development activities. Each county sets the boundaries for its SMA through the Coastal Zone Management Act, and SMA boundaries may range from about 100 yards from the coastline to several miles inland, depending upon how far inland development may have an adverse impact on coastal resources.

How the SMA Process Works

"In order for a project to trigger the requirement to obtain a SMA permit, a series of conditions must be met. First, the project must fit within the definition of "development." Surprisingly, under the current law, single family residences that are not part of a larger development do not trigger a SMA permit. This means that even a large oceanfront home does not trigger the SMA permit process.

"Next, the planning commission must make the determination as to whether the project has a significant environmental impact or not. This process is also complicated by a financial limit. If the project is deemed to have no significant impact and is less than $125,000, then only a minor permit is required. But if the project will exceed $125,000 or the planning commission determines that it will have a significant environmental impact, then a major SMA permit is required, which includes additional costs and a public hearing on the project. Both the major and minor permits enable the commissioner to attach conditions to protect the coastal resources, and may require inspections and reports describing compliance.

Amendments Under HB 117 HD2 SD2

"Until a few days ago, proposed amendments under HB 117 HD2 SD2 worked to find a harmonious balance between eased permitting and increased shoreline protection. On the one hand, legislators had amended HB 117 so that single family residences that were oceanfront were no longer exempt. This meant that oceanfront property that had the potential to impact coastal resources would have been required to go through the SMA permitting process. On the other hand, legislators increased the financial exemption from $125,000 to $500,000, thus allowing smaller projects, even those on the oceanfront, to avoid getting a SMA.

"But after the opportunity for public input and oversight passed, the oceanfront provision was removed and a weaker, meaner version was inserted in its place. Now, no single family oceanfront residence will trigger an SMA, and the threshold for other types of development has increased from $125,000 to $500,000. With these changes, development has less oversight, and the public had no opportunity to comment on proposed changes.

Where it stands now

"Legislators have now voted for weakening the permitting process while leaving loopholes intact. Shoreline residential properties, enormous castles by the sea, will avoid public comment, and the increased financial threshold will allow projects under $500,000 to escape review. Has the process been improved? Are special management areas still protected? What started as a balance between compromise and concession has just turned into a bait and switch on shoreline protection."

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

Representative Keith-Agaran's written remarks are as follows:

"Thank you, Mr. Speaker. I stand in support of this measure, which prudently balances updating our Coastal Zone Management Act standards with environmental concerns. This bill also facilitates smaller and less intrusive development and construction projects in special management areas.

"HB117 HD2, SD2, CD1 amends the definitions of both the Special Management Area Minor Permit and Special Management Area Major Use permit to increase the dollar amount threshold from $125,000 to $500,000 for distinguishing between minor and major developments which require more thorough review for coastal impacts. Such action balances concerns regarding rising development costs, the failure of the previous definition to keep pace, and the continued protection of coastal zone resources and values.

"This failure to change the threshold despite the years since the $125,000 was established has lead to a backlog of processing Major Use permits. In addition, small business owners and homeowners have forgone maintenance and repairs entirely, fearing the more rigorous and costly process associated with Major Use Permits.

"HB117 HD2, SD2, CD1, provides a means for careful development in Hawaii to continue to keep up with demand while protecting our important coastal resources. I understand that some will remain categorically opposed to increasing the threshold or changing the definition of development to allow minor work on residences in the coastal zone. But key players in ensuring these changes do not hinder coastal zone protection will be the county and State officials implementing the coastal zone law. The changes do not apply to work that is part of bigger development scheme; land use officials will need to vigorously review whether projects proposed are not piecemeal increments of a larger development."

Representative Hanohano 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 Hanohano's written remarks are as follows:

"Mr. Speaker, I rise in support with reservations. This bill is to facilitate development in Special Management Areas. This bill involves public land and was not referred to the Committee of Hawaiian Affairs which is tasked to examine usage of public lands."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 117, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL MANAGEMENT AREAS," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 67 and H.B. No. 1230, HD 2, SD 1, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that H.B. No. 1230, HD 2, SD 1, CD 1, pass Final Reading, seconded by Representative Evans.

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

Representative Tsuji's written remarks are as follows:

"HB 1230, under certain conditions, waives the building permit process for the construction of nonresidential temporary or permanent structures used for agricultural or aquacultural operations.

"In Conference, we added language to indemnify the State against any liability resulting from the lack of building permits applicable to the counties, and to require the owner and/or occupier to obtain a certification that the building plans are in compliance with all applicable codes, rules, and requirements. If said structure does not meet accordance, the exemption is prohibited.

"Generally speaking, agricultural structures are treated as commercial buildings and are subject to burdensome standards that may be appropriate for large public buildings, but are excessive for farm structures such as sheds, greenhouses, and equipment housings.

"As it stands now, many of our farmers and ranchers face difficulties obtaining building permits because of prohibitive cost requirements.

"Farmers want their buildings to be safe; they do not want their insurance rates to increase. Structures covered by the exemption are not meant for public occupancy or public access. Rather these are utility-type buildings that only the farmer or farm workers will use.

"In summary, compliance with the applicable regulations has always been the building owner's responsibility and it will remain so. The changes proposed by this Bill simply aids ag businesses by mitigating burdens or delays associated with the building permit process."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1230, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO BUILDING PERMITS," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 69 and H.B. No. 1520, HD 2, SD 2, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that H.B. No. 1520, HD 2, SD 2, CD 1, pass Final Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. I'm standing to speak in favor of this measure, but with some disappointment. No, not reservations. I'm in support, but just let me express the disappointments. I am in support. The measure started out to be something really positive to create an on-bill financing for solar energy and efficiency. The on-bill financing would eliminate the upfront cost of the solar, and it was a wonderful way to do this. It would be put onto your electric bill and because the electric bill, the price of your electricity each month would diminish as you were using your solar energy or your efficiency methods, then your bill will not be as much, and yet you would be paying back the cost of that new solar system or the efficiency methods.

"It made a lot of sense to do it, and we just keep taking these little baby steps. So now instead of doing it, we're saying to the Public Utilities Commission, 'PUC, you look at it. See how you can go ahead and implement this sort of program if you feel that we should go ahead with it.' Instead, we are taking the step to say, 'PUC, implement this and do it now,' which I believe we should have done.

"The Public Utilities Commission is a creation of statute. We tell them what to do. They don't establish policy. We establish the policy and the PUC carries that out. We should have given them the directive, set up the on-bill financing now because this would have taken care of the complication for so many homeowners that want to put in these energy efficiency or solar energy systems, and they could have gone ahead. The end result, the monthly bill, would not have been increased because the savings they would recoup would go toward paying off that new system.

"So now we have another so-called study, another baby step, and I'm really disappointed in that, Mr. Speaker. It's better than nothing, but that's really virtually all it is at this point. Thank you."

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

"Mr. Speaker, I rise in support with disappointment also. Slightly stronger disappointment than my colleague from Kailua. I consider this a continuation of my speech against the budget where we did 'cake cutting,' and not cake growing, pie growing. Pie cutting. Because this was a missed opportunity, Mr. Speaker.

"This is at the core of green job creation. And basically what we've taken, as my colleague referred to the PACE Bill, the PACE Bill where in effect GO bonds fund the solar on the roof, and property taxes amortized over 20 years, paid for it. It was a win-win and Hawaii finally realizes its rhetoric that we're going to be the best in the nation, the best in the world.

"Mr. Speaker, this is such a disappointment. It even says that the PUC is to consider implementing it rather than, with the boldness of my colleague

from Kailua. We are the policy makers. We should be responsible. If we're responsible for balancing the budget, we should be able to be responsible for creating jobs and this is one of those missed opportunities, Mr. Speaker.

"We need the boldness of a country that's even smaller than one of our smaller states and that's Israel. Israel has a 99% penetration of solar energy production. You know what ours is? 25%, maybe 30 at max. We've been trying to do this for 30 years, but finally we're waking up to the oil crisis. We've got to move on this and as policymakers it's a wakeup call. 25% penetration with a $7 billion imported oil ticket just doesn't cut it.

"Israel, case in point. You put solar voltaic on your roof, the feed-in tariff gives you 40 cents per kilowatt hour. You buy it. It's 10 cents, which means if you generate and give to the government, your solar energy, you get a 4 to 1 ratio. So the incentive is really there. The incentive of this bill is zero. In fact, even now with the feed in tariff with Hawaiian Electric, I think they end up even if you generate more than you are using, you still have to pay $18. So where's the structure of the incentives? Why are the people of Hawaii essentially saying, 'Hey, I'm not going to go photovoltaic. It costs too much, and the agreements with our power company are too *manini*.'

"Mr. Speaker, again this is the wakeup call. When May 22nd comes around and we get hit again. I don't think the genius of our slicing the pie is going to work. We've got to create jobs. We've got to expand the pie. This is one of those opportunities and I hope the PUC will take this quickly, and take it seriously. Not sitting 6, 8, 12, 15, 16 months the way they do on some rate issues, but move on it quickly and adopt something that's aggressive and use Israel as a model and with the steel and the commitment of the Navy SEALS who can get the job done. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. I rise with some reservations. I'm just going to put it down because it is. Thank you. I just ask that the words of the Minority Leader, as well as the Representative from Kailua be entered as my own. And I'm just going to ask also that I read from a memorandum from May 2nd from Blue Planet Foundation so it may also be entered, if you don't mind?

"Thank you. I will just once again reiterate what was said in their just two first sentences.

As the unchecked rise of oil prices continue to batter our State's economy, the Blue Planet Foundation is frustrated that few transformative energy policies advanced at the Legislature this Session. In particular, we are disappointed in the failure to pass critical clean energy measures including bills to provide additional funding through the Energy Office, and existing barrel tax, establish the Hawaii Electricity Reliability Council, allow wheeling of electricity directed from producer to consumer, prohibit the permitting of future fossil fuel plants, expand the barrel tax to include coal and enact TV efficiency standards and beyond.

"So I just wanted to add that to the Journal. Thank you."

Representative Ching's written remarks are as follows:

"Thank you, Mr. Speaker. I rise in strong support to H.B. 1520 - Relating to Renewable Energy. This bill directs the public utilities commission to implement an on-bill financing program for residential electric utility customers to finance purchases of energy efficient or renewable energy devices and systems through their regular electric utility bills. While I would prefer a more immediate implementation schedule for accomplishing our renewable energy objectives, I nonetheless endorse HB 1520 for its well-directed strides toward environmental sustainability.

"On-bill financing, which allows customers to pay for energy efficiency upgrades and solar through energy savings, would eliminate up-front costs for Hawaii's many consumers who have long sought energy efficiency but have deemed the high initial cost an insurmountable obstacle. Indeed, a consumer Kai Holland testifies, "I've been wanting to install [a photovoltaic system] for years but simply can't afford the high up-front cost. And a lot of people I know feel the same." The Blue Planet Foundation confirms that even those consumers who may, on paper, appear able to afford solar energy may be derailed from doing so by the conversion cost. Consumer behavior researchers repeatedly find, according to Blue Planet, that consumers are "highly myopic in their purchasing decisions when it comes to energy saving technologies... even less expensive purchases, like high efficiency refrigerators, are passed over because of their initial cost." Thus, whether Hawaii converts to solar energy is no question of mere numbers, but one of psychological factors weighing on decisions.

"I sincerely hope this Legislature can devise ways for the islands to sustain themselves well into the future with more realistic energy-consumption guidelines. Thank you."

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

"In strong support with written comments in the Journal, please. Thank you."

Representative M. Oshiro's written remarks are as follows:

"Mr. Speaker, I rise in support of House Bill No. 1520, House Draft 2, Senate Draft 2, Conference Draft 1, Relating to Renewable Energy. This bill requires the Public Utilities Commission to investigate the viability of an on-bill financing program to allow Hawaii residents to finance purchase renewable energy systems or energy efficient devices through the energy savings provided by such systems or devices.

"I support the purpose and intent of this bill as it directs the Public Utility Commission to investigate mitigating the upfront costs that can prevent residents from purchasing renewable energy systems that will reduce the need to import oil to sustain Hawaii. The Consumer Advocate noted that while some financing programs exist to help residents acquire such systems, these pilot programs have had little success. By creating a streamlined process for rate payers to add renewable power sources to their homes or reduce their power consumption through efficiency, the rate at which these new technologies are adopted should increase. Including infrastructure improvements in a preexisting payment structure prevents the rate payers of Hawaii from facing an additional bill each month and the hardships that come with additional loan payments.

"Increasing the adoption of renewable energy systems across the islands is of the utmost importance for preserving the quality of life that all Hawaii residents enjoy. Each barrel of oil burned to generate energy puts more pollutants into the air we all breathe. Each barrel of oil imported sends money out of our State and drains our economy. Each barrel of oil cannot be sold at a guaranteed rate, instead fluctuating in the wake of international activity. We cannot remove these burdens completely as members of the international community, but we can reduce the impacts to our citizens by stabilizing our energy costs through renewable energy sources.

"Finally, Mr. Speaker, this bill does not force the rate payers of Hawaii to adopt this program; this bill forces the Public Utility Commission to investigate what public good could come if such a program is implemented. Instead of mandating that all rate payers adopt a single model of financing, the Public Utility Commission will determine what will be the most effective ways to assist renewable energy system adoption and the best ways to increase energy efficiency. Once the Public Utility Commission has decided on a course of action, this bill will allow rule making without requiring further legislation. This allows the people of Hawaii to receive the benefit of on-bill financing without having to wait for the next Legislative Session.

"Mr. Speaker, for these aforementioned reasons and with an eye on the future of Hawaii's energy infrastructure, I 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. 1520, HD 2, SD 2, CD 1,

entitled: "A BILL FOR AN ACT RELATING TO RENEWABLE ENERGY," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 71 and H.B. No. 484, SD 2, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that H.B. No. 484, SD 2, CD 1, pass Final Reading, seconded by Representative Evans.

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

"Mr. Speaker, I stand in strong support and I'd like to insert written comments in the Journal. Thank you."

Representative M. Lee's written remarks are as follows:

"Mr. Speaker, I rise in support of this measure which requires hospitals in Hawaii to recognize and permit advanced practice registered nurses to practice within the full scope of authorized and allowable practice. Qualified advanced practice registered nurses would be able to function as primary care providers. Requesting, receiving, and dispensing of over the counter and non-controlled legend drug samples to patients under their care would also be permissible for qualified advanced practice registered nurses with prescriptive authority.

"Our citizens, especially those in rural areas, would have greater access to necessary medical care and medicine. Timely medical care helps people recover and resume optimal performance while decreasing costs due to delays in treatment. For these reasons, I ask for the Members' support."

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

"I would like a ruling on a potential conflict, Mr. Speaker. I'm a nurse," and the Chair ruled, "no conflict."

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

Representative Cabanilla's written remarks are as follows:

"Mr. Speaker, in strong support of HB 484 SD2 CD1. Advance practice registered nurses are critical for family practice healthcare. The training of nurses has drastically changed over the years and services and care provided are now comparable to that of family physicians. Hospitals will benefit from their collaborative efforts and their authority to prescribe medication and treatments will increase access to healthcare without sacrificing the quality of care and service."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 484, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ADVANCED PRACTICE REGISTERED NURSES," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

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

H.B. No. 680, SD 2, CD 1
H.B. No. 985, HD 2, SD 2, CD 1
H.B. No. 117, HD 2, SD 2, CD 1
H.B. No. 1230, HD 2, SD 1, CD 1
H.B. No. 1520, HD 2, SD 2, CD 1
H.B. No. 484, SD 2, CD 1

At 11:31 o'clock a.m. the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 11:32 o'clock a.m.

At 11:33 o'clock a.m. Representative B. Oshiro requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 11:34 o'clock a.m.

Conf. Com. Rep. No. 82 and H.B. No. 747, HD 1, SD 2, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that H.B. No. 747, HD 1, SD 2, CD 1, pass Final Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. I'd just like to ask for a ruling on a potential conflict of interest. Our family owns and operates a chain of minimarts," and the Chair ruled, "no conflict."

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

"Thank you, Mr. Speaker. I am in support."

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

"Thank you. Can I have a ruling on a potential conflict also? I am a part owner in a convenience store chain. 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. 747, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LIQUOR LIABILITY INSURANCE," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 83 and H.B. No. 1155, HD 1, SD 1, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that H.B. No. 1155, HD 1, SD 1, CD 1, pass Final Reading, seconded by Representative Evans.

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

"Mr. Speaker, I rise in support of House Bill 1155, CD 1, as a start to chip away at our costly mandatory minimum laws. Mr. Speaker, the data shows that mandatory minimum sentences, especially those for drug offenses, have been the main driver of our imprisoned population in Hawaii. Mandatory minimum sentences have come with many unintended consequences such as: One, raising correctional costs. Two, removing other less costly, more effective sentencing options from consideration. Three, increasing the burden across our criminal justice system. And four, removing the discretion of the court by turning over sentencing decisions to the prosecutors.

"Cookie cutter sentences are not justice. Mr. Speaker, we need to restore discretion to our Judiciary or the phrase, 'and justice for all,' means nothing. Mahalo."

Representative Cabanilla rose, stating:

"Mr. Speaker, in opposition to this matter, and I would like to make a few comments. I'm in opposition to mandatory sentencing, whether it's maximum or minimum, because I think that job belongs to the Judiciary system. By legislating the sentences, we are removing the flexibility of the judges, for they know the real detail of the cases. Not us in this Chamber. Thank you, Mr. Speaker."

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

Representative Keith-Agaran's written remarks are as follows:

"I rise in support of this important measure that returns sentencing discretion back to judges and removes mandatory sentencing for certain nonviolent crimes. This measure removes some of the "property," "morals" and "drug" offense from the repeat offender statute under HRS§ 706-606.5. This measure does not affect crimes against the person, crimes of violence and crimes of a serious nature.

"HRS§ 706-606.5 subjects offenders who have certain prior convictions to non-probationable, indeterminate terms of imprisonment accompanied with prescribed mandatory minimum terms of imprisonment. Even with the passage of this measure, many offenses would remain in the statute. The offenses removed from the HRS§706-606.5 resulted from a compromise between the stakeholders. The process to get to this conference draft resulted from a long discussion between interested parties who wanted more removed from the statute, and law enforcement interests who preferred no deletions at all.

"This measure is not intended to abolish mandatory minimum. This measure does not even come close to restructuring the mandatory minimum sentencing structure. This measure does however make the first serious revision of HRS§706-606.5 that addresses unfairness in sentencing. These concerns have been repeated by many: the law is unnecessarily harsh; the law leaves judges without discretion; the law puts more poor people in jail than others; and the law allows too much power to the prosecuting authorities.

"As to the last factor, excessive prosecutorial discretion has led to long prison terms which have the very noticeable result of overcrowded prisons. Incarceration which has serious economic impact to our government should not be mindlessly handed out as sentences. We must trust our judges to fashion appropriate sentence on an individual basis. Those who merit the harshness of the court can still be subject to the full array of sentencing. This measure merely allows the court to consider the appropriate sentence. With this measure sentencing discretion transfers back to the judges from the prosecutors."

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

"Mr. Speaker, on Stand. Com. No. 83. I would like to change my vote from a no, to yes. After I spoke with the Majority Leader, he alerted me that this is for the removal of mandatory sentencing on certain offenses. But I would like my comments and my sentiments on mandatory sentencing kept in the Journal. 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. 1155, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO REPEAT OFFENDERS," passed Final Reading by a vote of 48 ayes to 1 no, with Representative Har voting no, and with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 84 and H.B. No. 945, HD 2, SD 1, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 945, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Final Reading by a vote of 39 ayes to 10 noes, with Representatives Chang, Cullen, Ito, Kawakami, Keith-Agaran, McKelvey, Morikawa, Nakashima, Souki and Wooley voting no, and with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 86 and H.B. No. 739, HD 2, SD 1, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that H.B. No. 739, HD 2, SD 1, CD 1, pass Final Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. I rise in support of this measure, House Bill 739, CD 1. Thank you, Mr. Speaker. After opposing this measure at all four hearings for this bill, it gives me great satisfaction that the final bill before this Body was drafted by the Department of Human Services. I personally want to thank DHS Director Patricia McManaman and Deputy Director Pankaj Bhanot for their fine work and dedication to this bill. They wrote this bill. The final draft before us. I remember in one of the hearings, Panjak Bhanot had jokingly said, 'Take a chance on me,' and today it's come to fruition. I also want to thank the Attorney General's Office for their kind review and stamp of approval for this bill.

"Mr. Speaker, the hospitals in our State lose between $70 million to $100 million. This is annually. Every year they lose this. The reason for this is because they have formerly acute care patients who no longer need acute care. They're medically ready to leave the hospital, Mr. Speaker. But what happens is that you have a vast number of these patients wait-listed. They are not able to move them efficiently out to long-term care. This is key for us to save hospital costs, and reduce substantially the millions of dollars that is spent every year on these wait-listed patients. And if we can get them to community-based care homes, perhaps allow them to age in place, or even to have them in a private nursing institution it will still save State hospitals millions of dollars.

"Mr. Speaker, I will briefly go through what this bill does and I actually believe this is a consumer protection bill. I'll tell you why. First of all, the community care family foster home must be certified and in operation for at least one year before they can take in the third client. Basically they have two clients right now. One private, one Medicaid client. And there's no time limit. They can get a third client subject to simple approval by the Department of Human Services. This bill ensures that before they make that jump to the third client they have to be in operation for at least one year.

"Second, this bill requires that the primary caregiver is a certified nurse aide. Third, the requirement that the primary and substitute caregiver must be age 21 or older. Fourth, the substitute caregiver may be a nurse aide, provided that the nurse aide's hours will be limited to five hours a day or no more than 28 hours per week. Fifth, this bill mandates that the substitute caregiver have at least one year experience in a community residential healthcare setting or medical facility. And finally, this bill mandates that the nurse aide completes a minimum of 24 hours of continuing education every two years. This is the same requirement as our certified nurse's aide. It's the same requirement. The only difference is that the CNAs are required to take an examination. They pass that examination, and that's the only difference.

"Finally, Mr. Speaker, this bill will provide greater consumer protection for our elderly and disabled. As stated earlier, this is to save our State hospitals millions of dollars. In fact, the Department of Human Services pays $25 million in supplemental payments every year to our hospitals. Today the House of Representatives will have the opportunity to provide greater healthcare to our elderly and disabled, and to reduce millions of dollars in cost to the hospitals in Hawaii. Therefore, I ask all Members to support the passage of House Bill 739, Conference Draft 1. Thank you."

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

Representative Morikawa 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 Morikawa's written remarks are as follows:

"With reservations. This is a good measure to provide additional care facilities for our elderly and disabled patients. I would be concerned about the language barriers. If passing an exam for licensing is not possible due to language barriers, can the patient or caregiver understand each other?"

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

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

Representative M. Lee's written remarks are as follows:

"Mr. Speaker, I rise in support of HB 739 regarding community care foster family homes.

"The purpose of this bill is to amend the current Community Care Foster Family Home caregiver requirements to specify that if the CCFFH's approved for a maximum of three clients the primary caregiver must be a certified nurse aide and the substitute caregiver must be a nurse aid.

"Because the substitute caregiver assumes the responsibilities of the primary caregiver whenever the primary caregiver is absent from the home, the substitute caregiver must have the same qualifications as the primary caregiver in order to adequately care for the needs of the clients. For the health, safety and welfare of each client residing in the CCFFH, the substitute caregiver must be as knowledgeable and competent as the primary caregiver. However, the competency level and the ability to pass the certificate test are often not in sync because of language access issues.

"Testimony provided asserts that not only is the certificate exam quite expensive, but also only given in English. Consider that a large number of CAN's do not speak English as a first language; it would be wise for the department to provide an alternative exam. Certificate for all CAN's should still be a desired goal. I urge the Members' to support this bill."

Representative Takai rose in support of the measure with reservations and asked that the remarks of Representative Morikawa 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. 739, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO COMMUNITY CARE FOSTER FAMILY HOMES," passed Final Reading by a vote of 40 ayes to 9 noes, with Representatives Belatti, Hanohano, Keith-Agaran, C. Lee, Luke, Nakashima, Nishimoto, Takumi and Wooley voting no, and with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 87 and H.B. No. 605, HD 2, SD 2, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that H.B. No. 605, HD 2, SD 2, CD 1, pass Final Reading, seconded by Representative Evans.

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

"Mr. Speaker, I'm standing in strong support with a brief comment. The passage of this bill will allow our State Fire Council to continue to improve the reduced ignition propensity cigarette program. The goal is to make our State safer and prevents fires. Thank you."

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

Representative M. Lee's written remarks are as follows:

"Mr. Speaker, I rise in support of the measure. The primary mission of the State Fire Council is to develop a comprehensive fire service emergency management network for the protection of life, property and the environment throughout the State of Hawaii. This bill establishes a Reduced Ignition Propensity Cigarette (RIPC) program special fund to administer and provide staff for the Council.

"The SFC, which is comprised of the four county fire chiefs, is responsible for amending and adopting the State Fire Code, applying for and administering federal fire-related grants, and implementing and administering a statewide RIPC program. It is important to note that the purpose of the RIPC program is to reduce the number of fires caused by cigarettes in the State. The SFC indicated in its 2008 report to the legislature that there were 438 fire incidents attributable to cigarettes in the State of Hawai'i from 2001-2006 causing approximately $1.4 million in property damage. We need to do all we can protect life and property from fires caused by cigarettes. Ensuring that the Council has the funds needed to sustain the RIPC program is a step in the right direction. I urge the Members' support."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 605, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SAFETY," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 88 and H.B. No. 1085, HD 2, SD 2, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that H.B. No. 1085, HD 2, SD 2, CD 1, pass Final Reading, seconded by Representative Evans.

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

"Mr. Speaker, I rise to speak in opposition. My reservations about this bill are because we should not be making amendments to the medical marijuana program in a housekeeping bill meant only to bring us into compliance with federal law, which ironically, does not allow medical marijuana.

"Aside from my procedural concerns, I disagree with a $10 increase in the Department of Public Safety's medical marijuana program and the use of the monies for additional staff.

"I don't support the medical marijuana program because it facilitates the use of an illegal narcotic. This fee increase will only help to perpetuate the program. If there's one thing we've all learned this year, it's that once you put money and personnel into a program, it's very hard to get the money back out. It's harder still to ever shut down the program entirely. In a word, if we provide more money, the program becomes dependent or addicted to that money. For these reasons I vote no. 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. 1085, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONTROLLED SUBSTANCES," passed Final Reading by a vote of 48 ayes to 1 no, with Representative Marumoto voting no, and with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 92 and H.B. No. 688, HD 2, SD 2, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that H.B. No. 688, HD 2, SD 2, CD 1, pass Final Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. I am in strong support and would like to submit written comments."

Representative Awana's written remarks are as follows:

"Thank you, Mr. Speaker. I rise in strong support. The public has approached the Legislature for many years to address this serious issue. Although this measure has been watered down substantially, I am happy to see that we are moving in the right direction with the passage of this bill. In addition, it is my hope that a more conscious approach by the Department of Education with the oversight from the Board of Education will pay attention to those individuals engaging in bullying or harassment in schools, as well as students who are the recipients of such behavior. Children should not be exposed to these activities where learning needs to be the focus. The components of a classroom should consist of competent

educators and students willing to learn in a violent-free environment. We must not have it any other way. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 688, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

At 11:48 o'clock a.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 747, HD 1, SD 2, CD 1
H.B. No. 1155, HD 1, SD 1, CD 1
H.B. No. 945, HD 2, SD 1, CD 1
H.B. No. 739, HD 2, SD 1, CD 1
H.B. No. 605, HD 2, SD 2, CD 1
H.B. No. 1085, HD 2, SD 2, CD 1
H.B. No. 688, HD 2, SD 2, CD 1

Conf. Com. Rep. No. 93 and H.B. No. 491, HD 1, SD 1, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that H.B. No. 491, HD 1, SD 1, CD 1, pass Final Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. I stand in strong support and ask that written comments be entered into the Journal."

Representative Awana's written remarks are as follows:

"Thank you, Mr. Speaker. I stand in strong support. The City and County of Honolulu Police Department is accredited. The County of Maui Police Department is accredited. The Hawaii State Sherriff Division is not accredited. Something is wrong with this picture and this bill takes steps to address this disparity. With the title of being an accredited institution, comes the opportunity for qualified funding sources which are currently not available. Proper training, adequate equipment and necessary supplies to allow this department to function properly is part of this accreditation. Although no funds have been allocated in this measure, an audit has already been completed which will provide the department with guidance and direction to help pave the path for successful accreditation. HB491 will help our State law enforcement division at a time when monies are tight and the ability to operate efficiently is paramount. Thank you, Mr. Speaker."

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

"Yes, Mr. Speaker. I also stand in strong support of this measure, HB No. 491. It's long overdue that the Sheriff's Department come up to speed with the rest of the State in terms of improving themselves to becoming accredited. I strongly support this and encourage the other departments from the Big Island and Kauai to also look at accreditation as well. 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. 491, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SAFETY," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 96 and H.B. No. 1286, HD 2, SD 1, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1286, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST BIOENERGY HAWAII, LLC," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 97 and H.B. No. 301, SD 1, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 301, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE JUDICIARY COMPUTER SYSTEM SPECIAL FUND," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 102 and S.B. No. 1328, SD 1, HD 2, CD 1; and Conf. Com. Rep. No. 103 and S.B. No. 1329, SD 1, HD 2, CD 1:

Representative B. Oshiro moved that the reports of the Committees be adopted, and that S.B. No. 1328, SD 1, HD 2, CD 1; and S.B. No. 1329, SD 1, HD 2, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Riviere rose to speak in support of both measures, stating:

"In support of Conf. Com. Rep. Nos. 102 and 103 and I'd like to submit written comments, please."

Representative Riviere's written remarks are as follows:

"I generally oppose fee and tax increases and I would have opposed the vehicle registration fee increases in SB 1328 and SB 1329, if it were not for the fact that our highway funds are severely depleted. Our roads are in terrible shape. The Department of Transportation recently noted that the highway repair fund has about $20 million, but it needs $85 to $115 million to operate effectively.

"Some have argued that the current funding crisis is directly related to the legislative decision to raid highway funds to balance the budget in 2002. Not only were the State moneys taken out of repairs, but matching federal funds were never received, so that decision was doubly punitive to a very necessary State function.

"Still, the question today is how to go forward. Highway funds have traditionally been generated by gasoline taxes. How should the roads be maintained if more and more cars run on electricity and do not buy gasoline? While one could argue that we should not add an additional financial burden on to our residents at this time, I think we have no choice but to replenish the highway funds, which will be matched with federal money.

"I reluctantly support these bills because we have to fix the roads. I will oppose any attempt to raid these funds in the future."

Representative Johanson rose to speak in opposition to both measures, stating:

"Thank you, Mr. Speaker. In opposition. I think I want to start off with my remarks on this measure and also the following measure stating that I, like everyone else in this Body, clearly would like to support the improvement of our roads and highways. I don't think that's in debate with any of us, and that certainly is long overdue.

"My principle opposition to both of these measures is that I truly believe that they will exacerbate the cost of living at a time when most of our constituents can least afford it, especially if you contextualize this particular fee increase which is a $20 increase in addition to the next fee increase that we'll be talking about merely for the continuation of the privilege of going to get your groceries, going to work, dropping your kids off at school. These are basic life necessities. This is a broad-based fee increase, and when you contextualize it with the City and County may increase fees depending on what you do or don't do, based on other measures that this Body is considering.

"The cost of living is going to go up, and I heard from quite a few constituents in my district, and most of them have said it's not an additional cost of living increase that they can absorb. And so for those reasons, as much as I would like to support this, I do believe that perhaps at a different time this measure would be a lot better. Certainly a well-

intended measure, but I just think the timing of this particular cost of living increase is just too much for some of my constituents to bear. So for those reasons, I would be voting no on these measures. May I also have additional written comments in opposition. Thank you."

Representative Johanson's written remarks are as follows:

"Thank you, Mr. Speaker. I rise in opposition to SB 1328. I have spoken previously on this and similar measures before us and will reiterate my strong concerns with this bill. While I believe the State must work to improve our roads and highways, I think this measure is one that my constituents simply cannot afford at this time. This measure increases the vehicle registration fee of $25 to $45, a $20 total increase for taxpayers. These are difficult times for everyone in Hawaii; this fee increase will add to the cost of living for my constituents because it is such a broad-based tax increase. I would also like to point out that had the Legislature not previously raided the Highway Fund, this measure would be unnecessary. Unfortunately, while I understand the intent of this measure to raise revenue for the State Highway Fund, it places too big of a financial burden on all of our drivers at a time when the people of Hawaii are struggling."

"Mr. Speaker, I also rise in opposition to SB 1329. As I have said on previous versions of this bill, I do recognize and agree with the intent of this measure to improve our roads and highways. However, I do not think our constituents can afford a widespread fee increase such as the one proposed in this bill. This measure calls for an extra cent increase per pound for most vehicles and a flat fee of $150 increase for large commercial vehicles over 10,000 lbs. These significant tax increases exacerbate our constituents' already high cost of living, merely for the privilege of continuing to drive. This vehicle weight tax increase could be truly damaging to families, businesses, seniors and those individuals barely managing to make a living in Hawaii."

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

Representative Morikawa rose in opposition to both measures and asked that her written remarks and the remarks of Representative Johanson be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Morikawa's written remarks are as follows:

"In opposition to SB 1328. I am concerned about the costs to own a vehicle. With the price of gasoline going up and up, and additional taxes and fees we are proposing, some people will not be able to keep a vehicle. I could support this if it was a temporary measure, just to replenish the Highway Fund, but history has shown that these funds could be raided for other purposes."

"In opposition to SB 1329. I agree that heavier vehicles cause more damage to highways, but I have concerns again about the additional tax on people. Now is not the time to levee this high increase on people, State and county governments need to be more efficient on how they plan their improvements."

Representative Ichiyama rose in support of both measures 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 rise in support of SB 1328. This bill proposes to increase the motor vehicle registration fee from $25 to $45, the proceeds going into the State Highway Fund. The State Department of Transportation (DOT) relies on the Highway Fund to implement its strategic plan for highway improvements across our islands. It is essential for the safety of our residents and visitors that our roads, bridges and sidewalks are maintained in good condition.

"Many of my constituents have expressed concerns about the numerous potholes on the on-ramp to the H-1 by Mapunapuna. We use this on-ramp daily, often swerving from side to side to protect our cars, trucks and vans. The Director of DOT testified that due to insufficient amounts in the Highway Fund, they have extended the repaving schedule of our roads to every 14 years instead of the recommended 10 years. DOT is focused on repair and maintenance, not new projects, as we cannot sustain the current system. Ideally we should be spending $86,000,000 each year on maintenance for our highway system, but the Highway Fund does not even come close to that amount. Having a low balance also negatively affects our ability to qualify for federal matching money for highway projects.

"I understand the financial pinch that many of our local families are feeling, but this is a demand that we cannot ignore. A failure to maintain our highways results in reduced road space, deteriorating infrastructure, increased accidents and increased liability. Thank you, Mr. Speaker."

"Thank you, Mr. Speaker. I also rise in support of SB 1329. This bill proposes to slightly increase the motor vehicle weight tax, the proceeds going into the State Highway Fund. The State Department of Transportation (DOT) relies on the Highway Fund to implement its strategic plan for highway improvements across our islands. It is essential for the safety of our residents and visitors that our roads, bridges and sidewalks are maintained in good condition.

"Many of my constituents have expressed concerns about the numerous potholes on the on-ramp to the H-1 by Mapunapuna. We use this on-ramp daily, often swerving from side to side to protect our cars, trucks and vans. The Director of DOT testified that due to insufficient amounts in the Highway Fund, they have extended the repaving schedule of our roads to every 14 years instead of the recommended 10 years. DOT is focused on repair and maintenance, not new projects, as we cannot sustain the current system. Ideally we should be spending $86,000,000 each year on maintenance for our highway system, but the Highway Fund does not even come close to that amount. Having a low balance also negatively affects our ability to qualify for federal matching money for highway projects.

"I understand the financial pinch that many of our local families are feeling, but this is a demand that we cannot ignore. A failure to maintain our highways results in reduced road space, deteriorating infrastructure, increased accidents and increased liability. Thank you, Mr. Speaker."

Representative Souki rose to speak in support of both measures, stating:

"Yes, Mr. Speaker and Members of the House. I'm speaking in favor of this measure. I am kind of surprised that some of the Members have disagreements in paying for increases in vehicle registration for the improvements of the highways. I think we all must understand that we have one of the worst highways in the nation. It's in the bottom ten, and getting worse every day. The revenue situation for highways is not getting any better. It's based on the federal tax, the gasoline tax. We are using less gasoline now. People are conserving their driving time and purchasing less gasoline. Cars are smaller, and that affects the vehicle weight tax. So a combination of these items, smaller cars and less driving impacts the revenue from taxes. And the share that we get from the federal government which is based on the gasoline tax becomes less, and less, and less.

"We all benefit from highways whether you're from Maui, or Kauai. You fund your highways through taxation, gasoline taxation. You don't get it from the air. It just doesn't appear there. And so what we are trying to do with these two measures, this and the following measure, is to get enough revenue so we can go on a 20 to 80, or 25 to 75 match with the federal government to take care of our highways, and our bridges. We can include of course, some of the new highways, which in some areas here in Honolulu are badly needed because of the traffic situation.

"Without this revenue, without this additional revenue, you are not going to get your highways fixed. This is not a threat. This is a promise. We need the revenue to match with the federal government for the dollars that are coming in to repair, to maintain, to fix our roads and bridges. All of these items need to be done. You need to fix the potholes. You drive anywhere in Honolulu and you've got potholes all over the place. They don't have the revenues to fix it up.

"So good Members, realize this. You need to pass these measures in order to get the revenue so we can maintain the highways. We're going to

be looking like a third rate country when we have all the foreign countries come in the fall for APEC. They will be traveling through the highways with the potholes. We will be the host to all these countries coming in. We can do better. We should do better. Please vote for these measures."

Representative Cabanilla rose to speak in support of both measures, stating:

"In rise in favor of these measures, Mr. Speaker. I would just would like to say that as a Representative from the West Side where there's a lot of infrastructure needs because of the growing population, I support that we should put more money into the Highway Fund.

"I do understand the sentiment of my colleague from Moanalua, and I understand where he's coming from. But we always say, you need to 'pay to play' and this is something that our people need. So we need to make these hard decisions so we can deliver. Thank you, Mr. Speaker."

Representative M. Oshiro rose to speak in support of both measures, stating:

"Mr. Speaker, rise in strong support. Just a couple of points to be made. This increase of $25 to $45 per year will go into the State Highway Fund. According to the DOT, the increase in the vehicle registration fee will raise about $22.9 million for the Highway Fund. If you break that down at $20 per car on a monthly basis, that will be an increase of about $1.65 a month, or about the cost of a tall coffee at Starbucks, or 5 Jamba Juices over a year.

"Mr. Speaker, I also acknowledge the fact that for that amount of money, about $1.60 a month it will go towards maintaining and repairing the pavement and shoulders of the State-owned roads, repairing and maintaining bridges and other structures, fencing and walls, drainage systems, traffic signs, guard rails, highway pavement markings, highway lighting systems, sidewalks, wheelchair ramps, landscaping, irrigation systems, the cleaning of the streets, restoring of State highways after mud or rock slides, prevention of flooding due to heavy rains, accident remediation, and other catastrophic events.

"Mr. Speaker, as alluded to by the Representative of Waipahu, the registration fee should be viewed as an admission charge for the privilege of being able to drive and enter the State highway system. The fee was last raise in 2004, and not for highway maintenance, but rather for emergency medical services.

"Finally, Mr. Speaker, this is where the rubber meets the road. The DOT needs the money for the routine operation and maintenance of the State highway system of about $115 million per year. This goes towards that by raising about $23 million. This, in combination with the next bill, will raise about $54 million for the State highway system.

"May I ask for further remarks to be entered into the Journal. Thank you."

Representative M. Oshiro's written remarks are as follows:

"Mr. Speaker, I rise in support of Senate Bill No. 1328, Conference Draft 1, Relating to Motor Vehicle Registration. This bill increases the Motor Vehicle Registration Fee from $25 to $45, and directs the funds to the State Highway Fund.

"The increase in the motor vehicle registration fee is estimated to provide an additional $22.9 million annually for the State Highway Fund and combined with the increase in the State Vehicle Weight Tax contained in SB 1329 CD1 the fund will see a revenue gain of $54,900,000. The Department of Transportation testified that over $115 million is needed for routine operation and maintenance of the State highway system, which is essential to the health, welfare, and safety of the motoring public. These funds will greatly assist the Department's ability to construct, operate and maintain the State highway system.

"The funds generated are used for maintaining and repairing the pavement and shoulders; bridges and other structures; fencing and walls; drainage systems; traffic signs; guardrails; highway pavement markings; highway lighting system; sidewalks and wheelchair ramps; landscaping and irrigation systems; cleaning the streets; and restoring State highways after slides, storm damages, accidents, and other catastrophic events. Additionally, operations and maintenance activities on Oahu includes a 24-hour, 7-days-a-week schedule, a traffic management center, all mechanical, electrical, electronic, plumbing and drainage, ventilation, traffic monitoring and control, and fire control systems in our major tunnels.

"Mr. Speaker, the Highways Division has changed its resurfacing cycle for State highways from an average of once every 10 years to once every 14 years due to a shortage of funds. Studies have shown that after 10 years the pavement condition deteriorates at an accelerated rate. The overall condition of the State highway system has deteriorated because of the reduced Special Maintenance Program funding and to date the department has not caught up with its resurfacing program. As the highway pavement deteriorates, the cost increases exponentially. Potholes and cracks continue to grow, damaging cars and trucks and forcing the public to pay for these damages to their individual vehicles instead of paying towards repairing the road; in some cases the State ends up paying for the damages. Last session the Legislature passed Act 98 (Claims Against the State) which included two settlements to be paid by the Department of Transportation's Highway's Division. The two settlements came out to $100,000. In both instances the State was found ineligible due to its inability to properly maintain its roadways and storm drains.

"Finally Mr. Speaker, the fuel tax is the highway fund's largest revenue source; with the cost of gas rising every week many car owners may begin to change their driving habits. Some drivers may begin to catch the bus to work or carpool and some may even trade their gas guzzlers and upgrade to smaller more fuel efficient vehicles, hybrids or electric vehicles. With the automotive industry moving to producing more fuel efficient "green" vehicles and the increasing cost of a barrel of oil, the State will see a decrease in its fuel tax revenue and thus fewer funds for the highway fund. The State must seek alternative revenue sources for the highway fund if it is to properly maintain it roadways. Increasing the registration fee is one solution. The fee can be viewed as an admission ticket that motorists must pay to utilize the State highways and roads. Every vehicle has an impact on the wear and tear of the roadways, and as the number of vehicles on the road increases, the amount of money needed to maintain a healthy traffic corridor increases. Having each motorist contribute some funds to the State Highway Fund is a reasonable expectation and allows the State to keep the roads in the good condition the citizens of Hawaii deserve.

"Mr. Speaker, for these aforementioned reasons and with an eye on the need to maintain Hawaii's highways, I support this measure."

"Mr. Speaker, I also rise in support of Senate Bill No. 1329, Conference Draft 1, Relating to Motor Vehicle Weight Tax. This bill increases the Motor Vehicle Weight Tax and directs the funds to the State Highway Fund.

"The increase in the State Vehicle Weight Tax is estimated to provide an additional $32.9 million annually for the State Highway Fund and combined with the increase in the motor registration fee contained in SB 1328 CD1, the fund will see a revenue gain of $54,900,000. The Department of Transportation testified that over $115 million is needed for routine operation and maintenance of the State highway system, which is essential to the health, welfare, and safety of the motoring public. These funds will greatly assist the Department's ability to construct, operate and maintain the State highway system.

"The funds generated are used for maintaining and repairing the pavement and shoulders; bridges and other structures; fencing and walls; drainage systems; traffic signs; guardrails; highway pavement markings; highway lighting system; sidewalks and wheelchair ramps; landscaping and irrigation systems; cleaning the streets; and restoring State highways after slides, storm damages, accidents, and other catastrophic events. Additionally, operations and maintenance activities on Oahu includes a 24-hour, 7-days-a-week schedule, a traffic management center, all mechanical, electrical, electronic, plumbing and drainage, ventilation,

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"Mr. Speaker, for these aforementioned reasons and with an eye on the need to maintain Hawaii's highways, I support this measure."

Representative Ward rose to speak in opposition to both measures, stating:

"Mr. Speaker, I rise in opposition of this measure and the following measure thereafter. Mr. Speaker, I learned a Third World joke about roads, and drinking, and potholes in Uganda while working for the UN. They said, 'How do you know the difference between a drunk driver and a sober driver by just watching them go down the street?' And the response is, the drunk driver is the one who comes straight at you. The sober driver is the one who dodges the potholes.

"And I think increasingly we are seeing people of Hawaii dodging the potholes because there are so many. People know I represent the Hawaii Kai area. We are also a Third World nation in terms of our potholes. It's embarrassing, but yet I would remind the good Representative from Maui that the sins of the father visit the sons. The generation of Representatives who raided the Highway Improvement Fund to fix the roads, took the money and ran, and now we're paying the debt for that. So we shouldn't be surprised that the roads are in such bad shape because it was this Body, this policymaking body in the '90s that took that money away.

"Mr. Speaker, the problem with this thing is, having cited the Hippocratic Oath, I'll cite it again. Do no harm to Hawaii's families. This is going to hurt Hawaii's families big time because it's on top of, I don't care how many Starbucks or coffees you can compare it to, this is real money taken, nickel, dime, dollar by dollar to where we have almost the highest cost of living in the nation and this is going to push some over the top.

"I go back to the mantra of this morning. We need to create more jobs. We've had the opportunity in the green sector. We need to stimulate the economy. We need to grow the pie. Grow the pie, Mr. Speaker. The bottom line is we need to refocus and get more job creation. We need to know that we can do this. We need to know all of our assets and we can take this and do better than what we have here increasing the taxes on the people of Hawaii just to get in the car. To be free to go to work and do basic, basic, basic things, which we shouldn't have to tax increasingly for them to do that. Thank you."

Representative McKelvey rose to speak in support of both measures, stating:

"Thank you, Mr. Speaker. I stand in support. I would like the written comments of the good Vice Chair of Transportation, as well as the eloquent written comments of the Chair of Transportation and the Chair of Finance entered in the record as if they were my own.

"I won't call it a rebuttal because I agree with a lot of what the previous speakers had to say, especially on growing the pie, but that is a different conversation. The conversation here revolves around the roads and about two things. One is that we can get from the federal government 80%, that's 80 cents on every dollar to fix our roads and improve them. And the list given by the good speaker of Finance is accurate and true, but to dumb it down, or to bring it down to the street level vernacular, we're talking about things such as the lighting system to stop our *kupuna* from being hit, which made us the number one fatality state. We're talking about potholes and degradations of the roads that you can check online. Talk to the automotive association about the impact that that has on your cars, Mr. Speaker. The wear and tear of brakes, tires, and other things is really going to hit the consumer in the pocket. Bottom line, if we can fix the roads, then the consumer will not be paying more from the pocket for wear and tear, in addition to the fuel prices and everything else.

"What is also happening is the feds are saying, 'We will give you 80 cents on your dollar, Hawaii. We will pick up 80 cents of every dollar spent for your roads if you can merely provide the 20 cents.'

"Now I wasn't around in the 1990s like my good friend from East Oahu, so, the fact of the matter is that I can't speak to that Legislature, or the decisions they faced that time. But we're facing decisions today in this world, in reality. And I don't like having to do this either. But if we're going to get the revenue we need to get 80 cents for our 20 cents, if we're going to be able to fix all the roads so that when APEC comes here they don't see, as the good previous speaker said, a Third World Country, they will see a state of the art, emerging power player in the middle of the Pacific Ocean that is a world leader in many fields. And finally, the consumers won't be going over, and over again to Manny, Moe, and Jack to get more tires, replacement hoses, and all the other things which will really add up in the long run.

"So I know it's controversial. I know it's very problematic. But all I ask is you look at what was said in the invocation today, the hierarchy of needs and the infamous balancing test. At the end of the day, our consumers are going to come out ahead because of the 20 cents we're asking them for. Or do we say no and lose the 80 cents and nothing happens, and then the consumers pay for it anyway. That's all I have to say, and again in support. Thank you, very much."

Representative B. Oshiro rose to speak in support of both measures, stating:

"Mr. Speaker, I rise in support. I think it's important to go through some historical notes so we see why we are where we're at. The Minority Leader referenced the sweeps that were taken from the Highway Fund, but the last time that was done was back in 2002 so it's been nine years actually since there's been any sweeps from the Highway Fund. So during those nine years the question is, what is the problem? Why have the revenues not been able to meet up with the needs?

"And for that I would point to a 2007 study financed by the Reason Foundation, which actually found that in 2005, Hawaii spent the fifth highest amount of money to build and maintain each mile of highway, but we also had the fifth highest percentage of bridges and roads in poor condition, and the fourth highest percentage of narrow rural lanes. So basically what this study found was we're paying the most amount of

money, but getting the least amount of return. There are a host of problems, but I think that is probably why we are in many ways finding ourselves where we are today.

"But the other thing I would like to point to, and I would like to suggest that Members read the NCSL magazine that came out in March 2011 where they specifically talked about the highway fund problem that is facing all of the states across this nation. Back when President Obama signed a federal stimulus package in 2009, it did inject $48.1 billion, but that money has disappeared. The ARRA Clift as we all know has come and gone, and things have fallen off. And so instead what states had to do was really start to look at what's going on. The findings from this article, as well as some recent reports, I think are very, very telling.

"In recession, driving declines. And overall, driving coupled with the larger numbers of fuel efficient vehicles have resulted in lower gas tax revenues. At the same time, the cost of building and repairing roads continues a steady climb, and that really echoes what the Speaker Emeritus was talking about as to why we need to actually have some revenues injected into our Highway Fund.

"But the other thing that I did find telling was another quote by a study that said, "The systematic failure of current financing has made clear that the traditional approach to highway, road, street, and bridge maintenance and construction is in its present form no longer sustainable when measured against a changing economic and technological environmental erosion of purchasing power and continuing escalation of the costs."

"And so I will highly suggest that Members take the time to read this article. I found it very telling as to why we need to actually start looking and going down this road because unfortunately, the current status that we have is unsustainable and therefore we do need to look at other sources of revenues if we are going to have safe roads and safe bridges so that our constituents can travel on them and not have to worry about public safety; that they can actually travel on them and not worry about having to avoid these potholes; and be able to travel on them and avoid getting in additional accidents. We have the power to avoid and mitigate these, and for that reason, I stand in support."

Representative Brower rose to speak in opposition to both measures, stating:

"Thank you, Mr. Speaker. In token opposition. Thank you. There's a lot of what the Majority Leader said, and others have said, that I agree with. But I want to remind Members that just because you have a car, it doesn't mean that you drive that car a lot. And if the funds raised are to repair roads, I say we begin to charge people by how much they drive, because I don't think I should be paying as much to register a vehicle if I drive it four times less than others, if the intention is for these monies to be used to repair roads.

"And I, like many others in the Chamber and in town make choices and sacrifices to live in town. We have less amenities at home, or a smaller yard, or not a neutered dog at all. And so we should be keeping that in mind and not raise the price because it's getting closer to a thousand dollars than $200 as when I first was driving. Thank you."

Representative Awana rose to speak in support of both measures, stating:

"Thank you, Mr. Speaker. In strong support. I'd also like to ask that the words of wisdom from the Representative from Lahaina, as well as from Aiea Heights be entered into the Journal as if they were my own. Thank you," and the Chair "so ordered." (By reference only.)

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

Representative Hashem's written remarks are as follows:

"Thank you Mr. Speaker, I rise in support. This bill proposes to increase the motor vehicle registration fee from $25 to $45, the proceeds going into the State Highway Fund. The State Department of Transportation (DOT) relies on the Highway Fund to implement its strategic plan for highway improvements across our islands. It is essential for the safety of our residents and visitors that our roads, bridges and sidewalks are maintained in good condition.

"Many of my constituents have expressed concerns about the condition of Kalanianaole Highway. We use this daily, often swerving from side to side to protect our cars, trucks and vans. The Director of DOT testified that due to insufficient amounts in the Highway Fund, they have extended the repaving schedule of our roads to every 14 years instead of the recommended 10 years. DOT is focused on repair and maintenance, not new projects, as we cannot sustain the current system. Ideally we should be spending $86,000,000 each year on maintenance for our highway system, but the Highway Fund does not even come close to that amount. Having a low balance also negatively affects our ability to qualify for federal matching money for highway projects.

"I understand the financial pinch that many of our local families are feeling, but this is a demand that we cannot ignore. A failure to maintain our highways results in reduced road space, deteriorating infrastructure, increased accidents and increased liability. Thank you, Mr. Speaker."

Representative McKelvey rose to respond, stating:

"Thank you. In support. Just a slight rebuttal to my good friend over there. There's no 'I' in 'We'. Thank you, very much."

Representative Ching rose to speak in opposition to both measures, stating:

"Thank you, Mr. Speaker. I'd just like to also rise in opposition and ask that the words of the Minority Leader and the Representative from Moanalua be entered as my own.

"Thank you, Mr. Speaker. I do believe that the skyrocketing cost of living, with the fact that people have been laid off, they may need to take on second jobs, they may need to be travelling more. This is going to really affect them deeply. Thank you."

Representative Wooley rose to speak in opposition to both measures, stating:

"Thank you, Mr. Speaker. In opposition. I just want to make a couple comments. DOT's funding is all special funding or federal funding and as a result, the Legislature has very little influence over their budget or how they spend their money. We may set policy, but if you've ever seen that bumper sticker 'ainokea,' I think that's kind of the sense I get from DOT.

"And my concern, in particular, is the focus on their spending has been on single occupancy vehicles only. Year after year, they've turned down money from the federal government for safe routes to school. Year after year they refuse to build paths, multi-use paths, despite the fact that the federal government has encouraged us to move in this direction, despite the fact that it would be a wonderful, safe alternative for so many people, and it would actually encourage us to be healthier.

"So I stand in opposition and I just want to emphasize that DOT's budget does need help. I do agree with that. However they need to spend their money more efficiently, and they need to spend their money for the community and for the needs of the State. Thank you."

The motion was put to vote by the Chair and carried, and the reports of the Committees were adopted and S.B. No. 1328, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE REGISTRATION," passed Final Reading by a vote of 31 ayes to 18 noes, with Representatives Belatti, Brower, Ching, Cullen, Fontaine, Hanohano, Har, Johanson, Keith-Agaran, C. Lee, Luke, Marumoto, Morikawa, Nishimoto, Takai, Thielen, Ward and Wooley voting no, and with Representatives Carroll and Pine being excused; and

S.B. No. 1329, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE WEIGHT TAX," passed Final Reading by a vote of 33 ayes to 16 noes, with Representatives Aquino,

Belatti, Ching, Cullen, Fontaine, Hanohano, Johanson, Keith-Agaran, C. Lee, Marumoto, Morikawa, Takai, Thielen, Ward, Wooley and Yamane voting no, and with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 105 and S.B. No. 52, SD 1, HD 1, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that S.B. No. 52, SD 1, HD 1, CD 1, pass Final Reading, seconded by Representative Evans.

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

Representative M. Lee's written remarks are as follows:

"Mr. Speaker, I rise in support of this measure which requires convicted persons in the first degree of violation of privacy and promoting prostitution to register as sex offenders. This bill will also be retroactively applied.

"According to section 711-1110.9 of the Hawaii Revised Statutes, "Violation of privacy in the first degree is a class C felony. In additional to any penalties the court may impose, the court may order the destruction of any recording made in violation of this section." This section also states that, "A person commits the offense of violation of privacy in the first degree if, except in the execution of public duty or as authorized by law, the person intentionally or knowingly installs or uses, or both, in any private place, without consent of the person or persons entitled to privacy therein, any device for observing, recording, amplifying, or broadcasting another person in a stage of undress or sexual activity in that place."

"The "Video Voyeurism Prevention Act of 2004" was also passed to amend the United States Code to include the fine and/or imprisonment of up to one year for perpetrators intending to and committing acts of videotaping, photographing, filming, recording by any means, or broadcasting an image of an individual's private area without their consent and against their reasonable expectation of privacy.

"The violation of privacy in the first degree is not only a punishable crime, but a traumatizing emotional offense on the victim. With technological advances and the social network, the accessibility of viewing private images can continue long after the image is captured. Unfortunately, the victims must live with the consequences and reminders of another person's crime against them.

"The registration of convicted persons in the first degree of violation of privacy and promoting prostitution as sex offenders is imperative to help deter future crimes of this nature. As legislators, we need to protect our citizens and ensure that our privacy is not violated. For these reasons, I ask the Members' support."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 52, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO REGISTRATION OF SEX OFFENDERS," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 106 and S.B. No. 1274, SD 2, HD 3, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that S.B. No. 1274, SD 2, HD 3, CD 1, pass Final Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. I'm speaking against Senate Bill 1274. Thank you, Mr. Speaker. I'm just going to quote some brief comments from an Ewa Beach resident who sent this to me.

This bill is taking away the rights of Medicaid patients to challenge the medical "opinions" of personnel who are paid for by the insurers who are focused on their medical loss ratio, the MLR. This bill has nothing to do with improving the cost structure of the State of Hawaii – this is simply to stop the challenges against the insurers and Department of Human Services when it comes to providing the medical standard of care for patients with diseases. By eliminating the external review, this simply grants the insurers and DHS a referendum to deny as much as they would please to all Medicare patients, as there would no longer by any checks and balances.

Too many times insurers make improper denials – too many times DHS backs them up – and too many times it is either in the courts or at the external review that the medical evidence is finally able to see the light of day to overturn the original improper denial.

"And then he concludes:

Hawaii would be first to implement such a repeal – not exactly something to claim with pride.

"I would encourage other members to join me in voting against this measure."

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

Representative Morikawa's written remarks are as follows:

"In support. This measure is to adopt a uniform standard for the external review process and is based on the Uniform Health Carrier External Review Model Act. I quote from the Committee Report, "the enactment of the amendments to Hawaii's Patients' Bill of rights and Responsibilities as contained in this measure is necessary to ensure that Hawaii remains in compliance with federal law. " It is under this premise that I support this measure."

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

"Thank you, Mr. Speaker. May I have a ruling on a potential conflict? I broker health insurance," and the Chair ruled, "no conflict."

Representative Takai continued in opposition to the measure 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 B. Oshiro rose to disclose a potential conflict of interest, stating:

"Mr. Speaker, may I have a ruling on a potential conflict on Conference Committee Report 106? At my law firm, they do representation of insurers in some of these administrative matters, but I don't handle any of them. 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. 1274, SD 2, HD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH INSURANCE," passed Final Reading by a vote of 43 ayes to 6 noes, with Representatives Belatti, Hanohano, Rhoads, Takai, Takumi and Thielen voting no, and with Representatives Carroll and Pine being excused.

At 12:18 o'clock p.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 491, HD 1, SD 1, CD 1
H.B. No. 1286, HD 2, SD 1, CD 1
H.B. No. 301, SD 1, CD 1
S.B. No. 1328, SD 1, HD 2, CD 1
S.B. No. 1329, SD 1, HD 2, CD 1
S.B. No. 52, SD 1, HD 1, CD 1
S.B. No. 1274, SD 2, HD 3, CD 1

The Chair then announced:

"Members, we will recess until 1:15. We will take a break for lunch and be back at 1:15."

At 12:18 o'clock p.m. the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 1:22 o'clock p.m.

At 1:23 o'clock p.m. Representative Johanson requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 1:23 o'clock p.m.

Conf. Com. Rep. No. 107 and S.B. No. 1221, SD 2, HD 1, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1221, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PROCUREMENT," passed Final Reading by a vote of 47 ayes, with Representatives Carroll, M. Oshiro, Pine and Takumi being excused.

Conf. Com. Rep. No. 111 and H.B. No. 1070, HD 2, SD 2, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1070, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONDITIONAL RELEASE TIMEFRAMES," passed Final Reading by a vote of 46 ayes to 1 no, with Representative Har voting no, and with Representatives Carroll, M. Oshiro, Pine and Takumi being excused.

Conf. Com. Rep. No. 113 and H.B. No. 1368, HD 2, SD 1, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1368, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTIONS," passed Final Reading by a vote of 47 ayes, with Representatives Carroll, M. Oshiro, Pine and Takumi being excused.

Conf. Com. Rep. No. 114 and H.B. No. 1613, HD 1, SD 1, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1613, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO VOTING," passed Final Reading by a vote of 47 ayes, w ith Representatives Carroll, M. Oshiro, Pine and Takumi being excused.

Conf. Com. Rep. No. 115 and H.B. No. 889, HD 2, SD 2, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 889, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," passed Final Reading by a vote of 47 ayes, with Representatives Carroll, M. Oshiro, Pine and Takumi being excused.

Conf. Com. Rep. No. 118 and H.B. No. 801, HD 2, SD 2, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 801, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Final Reading by a vote of 47 ayes, with Representatives Carroll, M. Oshiro, Pine and Takumi being excused.

Conf. Com. Rep. No. 119 and H.B. No. 667, HD 1, SD 2, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that H.B. No. 667, HD 1, SD 2, CD 1, pass Final Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. I'm rising to speak in favor of the measure and just to make one note about it. If the Members could turn to page 2 of House Bill 667, it's talking about the problem with the nematode population. The nematode can cause serious illness. One thing that Members may remember when we had the industrial hemp research project, the University of Hawaii determined that it was one of the best crops to eliminate the nematode population. So maybe next year we can consider getting that crop planted more widely. 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. 667, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FOOD SAFETY," passed Final Reading by a vote of 47 ayes, with Representatives Carroll, M. Oshiro, Pine and Takumi being excused.

At 1:26 o'clock p.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 1221, SD 2, HD 1, CD 1
H.B. No. 1070, HD 2, SD 2, CD 1
H.B. No. 1368, HD 2, SD 1, CD 1
H.B. No. 1613, HD 1, SD 1, CD 1
H.B. No. 889, HD 2, SD 2, CD 1
H.B. No. 801, HD 2, SD 2, CD 1
H.B. No. 667, HD 1, SD 2, CD 1

Conf. Com. Rep. No. 121 and H.B. No. 1060, HD 1, SD 2, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that H.B. No. 1060, HD 1, SD 2, CD 1, pass Final Reading, seconded by Representative Evans.

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

"Thank you. With reservations. I think it's actually a good bill. My concern primarily revolves on page 6 and the ability for DAGs and the Chief Information Officer to raise funds and accept donations. While not necessarily bad on its face, I think it begs the larger question for this Body of when should government be able to solicit and/or actively raise money? I think it's just a question of propriety and a concern that it may set a bad precedent in the future with respect to the fact that we're the governance organization often over many of these bodies that potentially may be donating their services or their goods to DAGs and to the CIO. So while I do support this measure, but I do have concerns over that provision. Thank you."

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

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

"Mr. Speaker, I rise in strong support on CCR 121. I ask permission to insert written comments. Thank you."

Representative M. Oshiro's written remarks are as follows:

"Mr. Speaker, I rise in support of House Bill No. 1060, Conference Draft 1, Relating to Information Technology. Modernizing the State's technology systems is one of Governor Abercrombie's top priorities which will provide for greater accountability for data and spending, enhance security and back up measures and reduce energy. The public will benefit through a broad range of improved services, from filing State taxes to applying for licenses and permits.

"The Department of Accounting and General Services strongly supported this Administration bill, as a means to implement Act 200, Session Laws of Hawaii 2010, which called for establishment of a full time Chief Information Officer, development and implementation of an information technology strategic plan, and creation of the shared services

technology special fund. The plan will become the basis for the long term statewide technology transformation, operational organizational structure for the Chief Information Officer and consolidated IT staff, and the required technology budget. This bill acts to keep Hawaii up to date with the rest of the world with regard to new technologies.

"More specifically, this bill moves the position of Chief Information Officer from the Office of the Governor to the Department of Accounting and General Services, provides authorization for the Chief Information Officer to fill positions critical to the successful implementation of increased data security requirements, and allocates a percentage of central service fees to the Shared Services Technology Special Fund.

"Additionally, for transparency purposes, this bill also requires that the Chief Information Officer report to the Legislature on the activities and programs under the authority of the chief information officer and the information technology steering committee, and the expenditures of all moneys received from all sources and deposited into the information technology trust account and the shared services technology special fund.

"By funding this crucial office, this Legislature will be ensuring that Hawaii remains at the forefront of the expanding information technology sector.

"Mr. Speaker, for these aforementioned reasons and with an eye on the future of Hawaii's need to keep abreast of the ever evolving information technology industry, I 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. 1060, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INFORMATION TECHNOLOGY," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 125 and H.B. No. 1505, HD 2, SD 1, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that H.B. No. 1505, HD 2, SD 1, CD 1, pass Final Reading, seconded by Representative Evans.

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

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

Representative Ching's written remarks are as follows:

"Thank you, Mr. Speaker. I rise in support of H.B. 1505 - Relating to State Facility. This bill seeks to establish the state facility renovation partnership programs, effective July 1, 2011.

"Public facilities have fallen into such disrepair across Hawaii that our State has become, in many cases, an embarrassment to locals hosting visiting friends, and a deterring force for the tourism industry. Because local retailers and hotels are gradually increasing rates to align with the economy, and Hawaiian Airlines' revoked GET exemption will precipitate a hike in airfare, Hawaii must strive now more than ever to offer tourists a premium destination experience worth every invested dollar. Dilapidated structures, ruptured plumbing, and faulty wiring neither impress visitors nor maintain the health and morale of local residents. Not only the facilities themselves, but also the effect an ambiance has on local constitutions, act as deciding factors, as prospective visitors weigh Hawaii getaways against cheaper destinations nearer to home. As Hawaii's price tag climbs, our only means to maintain value is to raise our quality as well.

"The State's financial deficit leaves scant margin for *any* further government expenditures, not to mention expenditures of magnitudes required to sufficiently address Hawaii's facility problem. Private-public partnerships thus prove invaluable – first for meeting financial figures, but also in cultivating a sense of communal ownership in those willing and able to make a difference. There was a time, in the early years of Hawaii, when endowed individuals took vested interest in public welfare; pride rewarded those who could point to urban infrastructures or green spaces, and know that they led those parks or town centers into existence. As real estate and construction costs have grown to unprecedented scales, Hawaii's pool of donors able to fund significant improvements may have narrowed. In fact, however, our market's high stakes have expanded the income gap between the surviving masses and the few of fortune; thus, although perhaps small in number, Hawaii's well-endowed class is strong in giving potential. Let us not impede mutually-beneficial opportunities, and eliminate financial barriers between public and private entities. Hawaii must operate as a single organ to enable the changes we want and need. 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. 1505, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE FACILITIES," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 127 and H.B. No. 331, HD 2, SD 2, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that H.B. No. 331, HD 2, SD 2, CD 1, pass Final Reading, seconded by Representative Evans.

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

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

Representative Tsuji's written remarks are as follows:

"This main idea behind this measure is to change the extension of certain public lands leases from 55 years to 65 years.

"Many tenants in Hilo's industrial area are strong advocates for this specific change. Several of them have lease reopening/arbitration with DLNR, who is the final determinant of land values based on their policies. This is because more that 90% of industrial zoned land in Hilo belongs to DLNR.

"Throughout this session, business groups testified in support of this Bill and I would ask my colleagues to vote aye."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 331, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC LANDS," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 128 and H.B. No. 1164, HD 1, SD 1, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1164, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC LANDS," passed Final Reading by a vote of 36 ayes to 13 noes, with Representatives Awana, Belatti, Coffman, Hanohano, Keith-Agaran, C. Lee, M. Lee, Luke, Nakashima, Rhoads, Saiki, Takai and Wooley voting no, and with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 129 and H.B. No. 300, HD 2, SD 2, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that H.B. No. 300, HD 2, SD 2, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Keith-Agaran rose to speak in support of the measure, stating:

"Mr. Speaker, in support. I just want to take this time to acknowledge the efforts of the Finance Chair and his staff, and for the Vice Chair of Judiciary and the Majority Leader for the assistance they gave in crafting a

budget for the Judiciary that balances their need to restore the Judiciary to five days of actively working for justice. I think we did that this year by restoring the money for the furloughs, and like the Executive Budget, also taking into account the expected collective bargaining savings. For that, I urge my colleagues to vote in favor of this budget."

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

"Thank you, Mr. Speaker. On the same measure, I'd like to stand in strong support with written comments."

Representative Awana's written remarks are as follows:

"Thank you, Mr. Speaker. I rise in strong support. Mr. Speaker, before this Session, the House Chair of Finance, the Minority Leader and I attended a tour of the State Judiciary Building on Alakea Street. During this eye-opening tour, we were able to see for ourselves the challenges faced by many in this vital branch of government. Justice Delayed – Justice Denied was the title of a report provided to us by judges, and staff administrators. Detailed in this report was information that led me to believe that the passage of this measure is the right decision; cases are being pushed back because of furloughs along with an increased workload, judges calendar's are scheduled six months out because of such delays, and overtime has been halted to compound this situation. These are just a few examples of the burdens facing the Judiciary and with the passage of this measure, some relief will be given to this department. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 300, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE JUDICIARY," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 130 and H.B. No. 1566, HD 1, SD 1, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that H.B. No. 1566, HD 1, SD 1, CD 1, pass Final Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. In opposition. Thank you. I respect the bill's attempt to address certain inefficient uses of public lands including those of the Ala Wai Small Boat Harbor. This bill would create a public-private development with private management.

"What I oppose in the bill is the fact that it would allow for the commercialization of the small boat harbor. My opposition is basically on two points. One is, in addition to public safety concerns, this would violate a deed which was set forth in the Territory of Hawaii, and although we as a State are not legally bound to the deed, about 50 years ago, our Governor Samuel Wilder King had enacted in 1956 an item to only allows for non-commercial vessels at this harbor because I think back then, they knew some of the problems with commercialization here.

"If we commercialize the Ala Wai, I think it's going to take business away from Kewalo Basin, some business in our areas downtown near Aloha Tower, and possibly other business from Oahu small boat harbors that do allow for commercialization because a lot of these businesses have expressed interest in being at the Ala Wai should that be opened to commercialization. The Kewalo Basin is just a few blocks from the Ala Wai, and there are a number of empty slips there where they do allow for commercial vessels.

"It's also going to displace the people who currently live at the harbor. Many of these people, they are not wealthy and they may have no other option than to live aboard a boat in that neighborhood. It's unfortunate that because the State hasn't done as well a job as it could in managing the harbor, it seems to now want to give it up.

"In that neighborhood where the Ala Wai is, there is the small boat harbor that we're talking about right now. There's also on the Ala Moana Park side, a private yacht club. If we begin to commercialize or privatize the State side, we could end up with two private yacht clubs not allowing for a number of local people to participate in boating activities in Waikiki. They will be forced to go to Heeia, the Kalihi area or to Waianae.

"Mr. Speaker, in closing, I would just like to say that instead of reducing people's choices for affordable housing or encroaching on one of our last enjoyable places where local boating and recreation is in Waikiki, we should be looking for ways to increase the inventory and generate more revenue. I propose increasing the amount of live-aboards at the harbor. And the profit from increasing the amount of live-aboards at this harbor greatly would exceed the grand total of $140,000, which is what the commercial vessels at Haleiwa, Heeia Kea, Keehi and Waianae generate combined. Thank you, for allowing me to speak."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1566, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SMALL BOAT HARBORS," passed Final Reading by a vote of 46 ayes to 3 noes, with Representatives Brower, Hanohano and Luke voting no, and with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 131 and S.B. No. 1073, SD 2, HD 2, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that S.B. No. 1073, SD 2, HD 2, CD 1, pass Final Reading, seconded by Representative Evans.

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

"Yes, Mr. Speaker. I stand with strong reservations on this matter. Although I support the intent of indigent legal services and what we're trying to do here, I'm concerned that this is going to be placing a burden on small businesses, credit unions, and small banks. The credit unions and small banks use the courts as a tool to recover money that is owed to them. This will increase their cost of doing business and trying to recover money that is owed and ultimately, I fear that this may be passed on to the consumers that utilize these services with the banks and everything else. So I believe there may be some unintended consequences with this measure. Thank you."

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

"Mr. Speaker, can I ask for a ruling on a potential conflict on CCR 131? I serve on the Board of Directors for the Legal Aid Society, one of the recipients. 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. 1073, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SURCHARGE FOR INDIGENT LEGAL SERVICES," passed Final Reading by a vote of 47 ayes to 2 noes, with Representatives Har and McKelvey voting no, and with Representatives Carroll and Pine being excused.

At 1:37 o'clock p.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 1060, HD 1, SD 2, CD 1
H.B. No. 1505, HD 2, SD 1, CD 1
H.B. No. 331, HD 2, SD 2, CD 1
H.B. No. 1164, HD 1, SD 1, CD 1
H.B. No. 300, HD 2, SD 2, CD 1
H.B. No. 1566, HD 1, SD 1, CD 1
S.B. No. 1073, SD 2, HD 2, CD 1

Conf. Com. Rep. No. 132 and S.B. No. 1270, SD 2, HD 1, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that S.B. No. 1270, SD 2, HD 1, CD 1, pass Final Reading, seconded by Representative Evans.

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

Representative Johanson's written remarks are as follows:

"Mr. Speaker, I rise in support of SB 1270. Our State is in a difficult fiscal position that requires sacrifices and compromises. I have consistently expressed reservations on using money from the Hurricane Relief Fund to offset some of our State's budget woes. I believe the Hurricane Relief Fund should be used for its intended purposes. Additionally, raiding from this Fund has the potential to perpetuate, even encourage, state lawmakers' habits of raiding this and other funds in the future. I am pleased, however, that my colleagues in the Senate heard some of these concerns and included a mechanism to return the borrowed funds to the Hurricane Relief Fund by 2015.

"The State Insurance Commissioner has submitted testimony indicating that insurance experts believe a Hurricane Relief Fund balance of $70 million is sufficient critical mass by insurance experts to leverage for reinsurance purposes, should another hurricane strike our islands. I appreciate that this measure takes these recommendations into concern by maintaining a $75 million balance. Moreover, I prefer this method of borrowing from the Hurricane Relief Fund rather than an increase in the General Excise Tax as a source of revenue to balance our State budget. We must remain vigilant in our fiscal decisions as a Legislature and truly take into account all those affected, as well as the long-term consequences of our actions. By including a mechanism to pay back this fund, as well as keeping a $75 million balance in the fund, I believe we are doing exactly that."

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

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

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

Representative Fontaine 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.B. No. 1270, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII HURRICANE RELIEF FUND," passed Final Reading by a vote of 47 ayes to 2 noes, with Representatives Belatti and Thielen voting no, and with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 133 and S.B. No. 651, SD 2, HD 2, CD 1:

Representative B. Oshiro 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 Evans.

Representative Keith-Agaran rose to disclose a potential conflict of interest, stating:

"Thank you, Mr. Speaker. I'd like a ruling on a possible conflict. My law firm's practice includes foreclosures," and the Chair ruled, "no conflict."

Representative Keith-Agaran continued in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Keith-Agaran's written remarks are as follows:

"Thank you, Mr. Speaker. I stand in strong support of this bill which will implement a comprehensive strategy to reform the foreclosure process by placing additional protections for homeowners in foreclosure or at-risk of foreclosure. This measure is the major vehicle for addressing the abuse of nonjudicial foreclosures brought predominantly by mainland banks and their collection agencies against local working families and homeowners. Among other things, it will institute a mortgage foreclosure dispute resolution program in the Department of Commerce and Consumer Affairs for nonjudicial foreclosures, will authorize an owner-occupant of residential real property to convert a nonjudicial foreclosure to a judicial foreclosure action, and will suspend the foreclosure actions by a junior lien holder during the pendency of a mortgage foreclosure. It also makes our nonjudicial foreclosure law modern and fairer than the 19th century model being used by mainland lenders.

"The number of residential mortgage foreclosures in Hawaii is very high and it is important to address foreclosure problems caused by out of state banks against local residents. This bill is the result of collaboration among many people including advocates, mortgage professionals, and State regulators. While speculators, real estate professionals and bankers focus on a catalogue of awfuls, I commend the Chair of the Consumer Protection Committee and his Senate counterpart for remaining focused on the Hawaii residents coping with the unfair foreclosure practices pursued by out-of-state, faceless corporate entities. No bill is perfect, but this one address and focuses on the needs of Hawaii's residential homeowners who need a fairer loan modification process.

"It promises to provide some relief to distressed homeowners across the State of Hawaii and I wholeheartedly vote in favor on this bill."

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

"May I have a ruling on a potential conflict? I am a registered mortgage loan officer," and the Chair ruled, "no conflict."

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

"I rise in opposition. The easy thing would be to keep my head down and let this bill go without comment. It's quite clear it's going to pass today. I have spoken on these measures several times on various aspects of them. There are several good elements to this bill, namely the improvements in Part II of the non-judicial foreclosure. The parts that I find unsupportable from my point are the moratorium on Part I, which would effectively be about a 13 month moratorium. Granted non-judicial foreclosures can continue in the Part II.

"Part II has never been used. It's been on the books for several years and it's never been used. With the fixes that are in this bill they may be used. Or they may not. We'll see. There are some concerns, and really the question is, what are we fixing here? There's trouble in the lending industry. There are people that are very passionate. Some people being put through hoops that they need not be put through, or shouldn't be put through. I'm not here to defend any banks or any institutions. I'm just standing up to speak about some of the issues, and trying to take this in a rational form.

"The uncertainty of this program is that it will force meditation, or will likely result in meditation leading up to 198 days. That's six months. That's six months after presumably somebody has not paid a mortgage bill, or there's been a dispute over the mortgage payments for four months. Every month that a mortgage is not paid or delayed adds to the cost to cure. So adding this, I don't know if in the end it helps anyone because of the uncertainties in the real estate market. The best policy, the best way to cure the situation would be to process these quickly.

"The vast majority of non-judicial foreclosures proceed unopposed. There are currently, it is possible to file a claim in federal or State court, if you feel that you've been wrongly approached or put in a non-judicial foreclosure. The State, they cannot kick you out of your house without going through court proceedings. There are many things.

"So anyway, not to belabor the point, but there's a couple other elements. Lenders will be subject to unfair practices if they violate any part of the law, and that means triple damages. That can be rather severe. Meanwhile, I notice that if any of the delays are caused by the DCCA or any other party, there's no sanction. So the delays, we're at 198 days if meditated, 53 days if not meditated. So no matter what, we're throwing two more months onto the process of curing the situation. 53 days. Two months anyway. What I would suggest is that this bill would have been better to require meditation before the foreclosure process begins. By the time we get to foreclosure, it's very difficult to cure. The bills are piling up.

"So while I understand the situation, I also point out that 23% of our economy is related to the real estate industry. People buy appliances. They buy carpets. They buy drapes. They hire carpenters. There is a huge affect in our economy based on real estate. And if we create a great uncertainty attempting to fix something without really, really looking at the potential unintended consequences, I fear that we might be hurting our economy more than we need to.

"Loan modifications. There are some scammers out there. There are many scammers out there. This bill does nothing to take care of the people who are fraudulently representing to owners that they can fix their loans. Many people that are caught in the problems, and the stories that we hear have gone for loan modification. Maybe they paid somebody thousands of dollars to modify it, and they get down to the end and they realize that their loan never really was modified. That is a problem and those people need to be brought to justice.

"There are people, due to the home affordable mortgage program that was created in 2009, the federal programs to help meditate and to save people's home. There are people that go through the process on temporary loan modification, but when they get to the final line, they do not qualify and that becomes a tragedy and those are things that are just unavoidable.

"So I don't plan on converting everybody here in the House on this, but I must say that ..."

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

Representative Riviere continued, stating:

"Thank you. It's a well-intentioned bill. I'm not faulting anybody. The bill started out based on the task force recommendation. As it was worked on, it got more unwieldy. It got bigger. It got more cumbersome. And I don't believe the end product is nearly as good as the product when it started. So for those reasons, I'll be voting no. Thank you."

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

"Mr. Speaker, I rise in opposition. At the beginning of the Session I was very distressed by the large number of foreclosures here in Hawaii. I was looking for some sort of fix to the problem, a legislative fix. But I feel that this bill does not. It's not really the right medicine that really will not help the patient that much. I'm particularly concerned about the moratorium. I think it will hurt our banking and mortgage industries. And ultimately raise interest rates, which will depress our real estate market.

"I have other comments, which I'd like to have inserted in the Journal, with your permission. Thank you."

Representative Marumoto's written remarks are as follows:

"Undoubtedly the large number of recent mortgage foreclosures in Hawaii has alarmed legislators. Constituents have been pleading for relief. However, I am not at all certain whether HB 651 will solve their problems and save their homes.

"Under this bill, there will be a 1 year moratorium on non-judicial foreclosures which use the "old" 1874 law. This is ironic because the Mortgage Foreclosure Task Force made recommendations to improve and strengthen the "old" law by adding more consumer protection provisions. The bill before us incorporates those recommendations while at the same time imposing a moratorium on using it.

"The imposition of a moratorium concerns me. A 1 year moratorium on the "old" improved non-judicial foreclosure process forces lenders to either use the "new alternate" non-judicial foreclosure process *or* the judicial foreclosure process.

"The "alternate" non-judicial foreclosure process is untested and has been unused since it became law in 1998. This measure makes some changes to the "alternate" process supposedly to make it usable. However, industry representatives are skeptical.

"If lenders do choose to use the "alternate" non-judicial foreclosure process with its new bells and whistles (rather than judicial foreclosures), that will move those cases into the new dispute resolution program which won't be set up until late this year. The newness of the "alternate" process and the newness of the dispute resolution process will slow down the foreclosure process and will make it harder for lenders to foreclose when foreclosure is the "last resort".

"The new dispute resolution program is partly modeled after the Nevada foreclosure mediation system. I am not an expert in this field, but I have been told that the Nevada program is not as effective as some people claim. Although many enter the Nevada mediation program, less than half emerge with successful results that allow them to keep their homes. However, among these successful few, many default again on their loans within a year of the modification.

"The dispute resolution process may be redundant for Fannie Mae and Freddie Mac loans. That's because these entities already require loan modification negotiations before and during the foreclosure process. Perhaps a duplicative process would be helpful, but it may just result in delays.

"I do not know whether the fees collected by the dispute resolution program will cover all costs. While the Compliance Resolution Fund of the Department of Commerce and Consumer Protection is providing $400,000 seed money for start-up, will the CRF be required to cover future shortfalls in the program?

"Some foreclosure attorneys say that the "alternate" non-judicial foreclosure process still has some practical problems which make this process unworkable. Also, the "alternate" process might not be used as much as envisioned because the dispute resolution process associated with it will stretch out the foreclosure process unnecessarily.

"If the "alternate" process isn't used, and with the moratorium on the "old" non-judicial foreclosure process, then foreclosure cases will have to be filed in the court system using the judicial system. I'm told by some foreclosure experts that the court foreclosure process currently takes about 10 to 13 months or longer. More judicial foreclosures will only add to the backlog that already exists in the courts. *Auwe*!

"Finally, the delays in either the "alternate" non-judicial foreclosure process (with dispute resolution) or in the judicial foreclosure process ... and the costs related to the delays will leave lenders with less capital to lend to homeowners and will make it more costly if lenders have to foreclosure. This may cause interest rates to inch upward, and will have the eventual effect of hurting the real estate and housing market and Hawaii's economic recovery.

"Because I am concerned about the foreseen and unforeseen consequences that HB 651 will have, I am compelled to vote no."

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

"Thank you very much, Mr. Speaker. First, may I have a ruling on a potential conflict? My family's currently undergoing a remodification, or attempting to," and the Chair ruled, "no conflict."

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

"Thank you, very much. In strong support. My strong support revolves around the idea that we're finally doing something to address Chapter 667. I will admit to everybody today that it falls short of what I thought when we started the Session, which is to create a one uniform track. But at the same time, what this does is it gives us finally, an ability to bring these entities to the table.

"With all due respect to my good friend there from the North Shore, and much of what he said is true, but the fact of the matter is that these endless modifications are not because of the homeowners in the vast part of the situation. It's because of the entities particularly, to be specific, the mainland entities that drag things on over, and over, and over again. Stories, daily of repeated requests for the same forms submitted over, and over, and over again. Six times. Seven times. Getting letters that basically have been post-dated two weeks earlier saying if you don't respond with even more documentation by a date that is in Hawaii two days later, you're out of the remodification program. There was admittance by one of these biggest lenders on Utah television that basically the whole aim in most of these is to not make anything happen so they can collect on the FHA insurance, Mr. Speaker.

"Mr. Speaker, if they were dealing in good faith, if they were giving the consumer a straight-up answer, one way or the other, and I agree, working with them before the process of foreclosure began, then I think we'd be in a better place. But I think you'll speak to many people across this great State, Mr. Speaker, and you will see that they didn't have that opportunity before foreclosure came. No entity from this bank came and said, 'You know what? You're behind.' Or, 'Let's work something out.' No. What they get is a notice, and then their checks get returned, uncashed. Then you have to go into this program. We need this information. Sorry we can't help you. Back and forth, and back and forth, and back and forth. You either go insane, then you hire an attorney, and they go insane. Or the end result is you don't have a home. And you're a hard working person. You're not a scammer. And to that point, the issue of originators has been addressed in another measure, and so that has also been addressed although it's not in this bill.

"We can cite any legislation as not being fully formed of function, but I think the legislative intent is clear. If we're going to be stuck with a two part system and the banks want to use the easier path system, they cannot. They've got to use the system that has protections. And if they just work with the homeowner, a majority of the time there will be no mediation. Endless mediation doesn't seem to be the game of the homeowner. Endless mediation seems to be the game of the lender, Mr. Speaker, to get to foreclose one way or another, to collect whatever interest they can on paper on this and be done with the homeowner.

"So I just ask all of my colleagues, and I think pretty much our various positions are clear. But remember that this is not something where the State of Hawaii is deciding we need to go after banks because banks are bad. This is endless, and endless of our friends and neighbors and constituents coming forward and saying, 'We cannot get a straight answer. Nobody will work with us. And it seems like the only end game is that we have to be shown out of our homes, despite the fact that we can work and come up with at least an 80% of the solution.' I would say that more of a win-win is where the banks can receive their money, keep their value, the property stays intact, and the homeowner has a home. For once again, as our State Seal outside this building says: The life of the land, Mr. Speaker, is preserved in righteousness. Let us not forget that. Thank you, very much."

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

"Thank you, Mr. Speaker. I rise in strong support of Senate Bill 651. First, let me start by clearing up some of the BS due to this SB. First, you can foreclose. The moratorium is on Part I, of non-judicial, which was passed in the 1800's. You could still foreclose in Part II, which we amended to make it work. There is no foreclosure moratorium.

"We have heard this will depress mortgage lending in the State. I don't believe that banks will not lend money anymore. This is a knee-jerk reaction, Mr. Speaker. Lenders will always lend to people who have the ability to pay. Banks need to lend. People need to borrow. Bottom line. Are the banks going to shoot themselves in the foot to protest this bill? I don't think so.

"We've also heard this will raise your down payment. I don't know where it says that anywhere in the bill, but Mr. Speaker, part of the problem was that banks made loans to people by building a house of financial cards. Down payment may increase because banks need to know that borrowers can afford the house. Lending needs to make sense. If this legislation ends the practice of loose loans and fast money, we all benefit.

"We've also heard this bill will lead to endless mediation. Mr. Speaker, this bill is not drafted to create an endless process. We put very clear timelines on dispute resolution and require the advanced assistance of housing and credit counselors. All the financial information is required up-front. A neutral third party will have enough information to determine whether a work-out is possible even before the first face-to-face meeting. But what was sorely lacking and what this process provides is an opportunity for the homeowners to communicate with someone face-to-face who actually has the authority to help them with the modification. That person can say to the lender, 'You don't have the authority to foreclose.' Or can say to the borrower, 'You don't have the money to do a loan mod. We're going to foreclose.' And that's someone who keeps losing their paperwork, giving them mixed messages, and jerking them around. Through dispute resolution, the banks will have an opportunity to live up to what they've been professing through this whole crisis, which is that the last thing they want to do is foreclose. And, Mr. Speaker, this is only a 3-year program. We're going to sunset it.

"We've also heard this is a one-size fits all legislation. This message is echoed by our local banks, the do-no-wrong banks. If they do no wrong, how will this bill hurt them? The local banks oppose dispute resolution so we asked them, why? If the local banks are in contact with borrowers, they should be able to work out a loan mod before it even gets to dispute resolution. Then we asked them, 'How many foreclosures do you have?' Mr. Speaker, they don't have many. Only a handful. Then they told us that they only foreclose through the judicial process. Well, Mr. Speaker, the dispute resolution does not apply in judicial foreclosures. Simply stated, it doesn't apply to them, so what's the problem? They still have not given me a straight answer besides the same economic doomsday sound bites.

"So, Mr. Speaker, who's this bill for? Well I'll tell you. The bill's not for realtors, the people who encouraged their clients to purchase expensive homes by saying, 'Don't worry. Your property will increase your value and give you instant equity.' They're wrong.

"This bill is not for the national banks, Mr. Speaker. Our pillars of the economy, the same lending institutions that required millions of our dollars in bail-out money to fix their mistakes, told our neighbors, 'You can afford this home.' They offered loans with no money down, and brokered deals we couldn't afford. They said, 'Don't worry. The housing market is hot.' They were wrong.

"This bill is not for investors and real estate speculators. This bill only requires dispute resolution for owner-occupants, people who live in their home, raise their families, and people who we call neighbors. All those critics who believe that we want to protect investors as well, they were wrong.

"This bill is not for the local banks either, Mr. Speaker. Throughout this Session, the local banks pointed out that they were not the problem, but they also offered absolutely no solutions. We didn't want to hurt them, but they couldn't tell us how this bill hurt them. All they wanted was a carve-out. And the exemption was the only answer since quote, "it hurts them." But if you look at the bill and how they foreclose, there's no problem. They were wrong.

"Well, Mr. Speaker, we wanted to do something right. Let's help those who truly need our help. So who's this bill for? This bill is for the thousands of people like Marcy, a resident of Maui, who wrote me and said:

"Mahalo, Representative Herkes."

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

Representative Herkes continued, stating:

"I have not met you, but I feel I almost know you from following these foreclosure bills so closely. Thank you so much for all your hard work and for fighting for us on SB 651! Your efforts have saved people unaccountable dollars and hardships and will stop the rain of fraud that has been happening to the people of Hawaii by the banks! I know the pressure had to be strong and you proved the system does work and fought for us! I am so proud of you and Hawaii, this might be the strongest bill in the nation and a model for other States! This is so much bigger than most people realize right now, thanks for being a true leader! Aloha from Maui!"

"Mr. Speaker, our people needed help. We stepped up. We worked with DCCA, the Judiciary, the Senate staff, and my staff. We spent countless hours working on this bill. The dispute resolution program is the result of a collaborative effort between the Legislative, Executive and Judicial branches all working together. Hawaii expects its government to work hard for its people, and I'm proud to report today that this bill is the result of that hard work.

"Mr. Speaker, I've also heard from Louisiana, Florida, and California in support of this bill. Thank you, Mr. Speaker."

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

"Thank you for recognizing me, Mr. Speaker. I just want to speak in favor of this bill. This bill may not be as comprehensive as we want it to be, and it doesn't address everybody's needs. This problem is so convoluted and complicated, and a lot of it has a lot to do with interstate commerce. The product that we have today is the best ever this House made towards this effort. At least this bill will communicate to our citizens that we in this building are doing something to address their needs. It will alert those mortgagees that their abuses are now being scrutinized. The bill has a lot to do with the current situation, and for this measure, Mr. Speaker, I stand in strong support of this bill."

Representative McKelvey rose to respond, stating:

"I know it's my second time, Mr. Speaker. And I'm still in support. I would just like the words of the good Chair of CPC entered in the record as if they were my own," and the Chair "so ordered." (By reference only.)

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

"Yes, Mr. Speaker. I may have a potential conflict of interest. I'm a realtor, and I have my own business in real estate," and the Chair ruled, "no conflict."

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

"Thank you, very much. First of all, Mr. Speaker, I speak very strongly in favor of this measure. I would want to incorporate the remarks of the speaker from Lahaina, and the speaker from the Volcano area in Hilo, who has worked so hard to prepare this measure. He put his heart and soul into it. And I wish to support this measure wholeheartedly. Thank you."

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

Representative Cabanilla's written remarks are as follows:

"Mr. Speaker and colleagues. I appreciate the intent of SB651. While it may not be the instantaneous answer to our foreclosure crisis, it has furthered the conversation. This measure will lead to a foundation of effective reforms, from both the Judicial and the Administrative Branch. This bill acknowledges that there are serious problems with how foreclosures have been handled in Hawaii. Our non-judicial foreclosure process, one of the most draconian in the country, was originally designed to make it easy to take land from Native Hawaiians. Repealing the non-judicial foreclosure law is a step in the right direction.

"It is important to remember that banks from the mainland do not own most of these properties or even the mortgages. They are only servicers. The loans were sold to investors or paid for by TARP and/or insurance funds in some cases thirty times the value.

"In a complex Wall Street ponzi scheme, together with Mortgage Electronic Registration System (MERS) and large insurance companies, the homeowner is doomed to fail from the first instance while the top New York Wall Street investment bank CEOs and big banks financially benefited from this crisis; all while knowing that the overall economy was in a steep decline, causing massive unemployment and ultimately borrowers to default on loans.

"In a delusional "too big to fail" state of mind, hoping to stave off a complete collapse, Wall Street developed the defective financial products known as subprime loans (also known as ARMs, HIBORs, LIBORs, HELOCs). They bundled millions of mortgages into thousands of trusts, insured them and falsely rated these securitized mortgages triple A; which enabled Wall Street to attract TRILLIONS of dollars in investor funds and peel off their risks – in just a little over 5 years.

"By Friday, September 12, 2008 Wall Street knew that the game of intentionally inflating appraisals, lowering lending standards, and overrating trust bonds was over. These were wrongdoings in which the Hawaii borrower had no control. From that point forward the foreclosure devastation in Hawaii began to get ugly.

"Mr. Speaker, this ponzi scheme induced many mortgage brokers to fabricate information for their borrowers; it seduced some borrowers to agree to lie about income. They were all told from the top, "don't worry about the loan now, they don't care how much money you make, just maintain your credit and you can always refinance later". Others were coerced into wrapping their unsecured credit card debt in to their secured mortgage loan, essentially eating up whatever equity they may have had – and paying a lot more in the long run. The borrowers maintained their payments and their credit scores until they lost their jobs and wages as the economy collapsed.

"This is not only a financial crisis, but also a moral one, in which deceit was encouraged from the top of our financial system all the way down to the homeowner. Borrowers were offered candy and then, by the very mechanisms purposely set in place, lost their investments and their homes.

"Although the intent of SB 651 is beneficial to Hawaii, in order to save our economy and our precious land from being taken over by mainland banks we must take further and more dramatic steps. I am committed to taking whatever steps are necessary next session, to bring accountability to the banking industry and to retain Hawaiian land in the hands of our locals.

"My concern, as explained to me by a local foreclosure defense attorney, is that with SB651 there will be a rush to file thousands of Part I non-judicial power of sale action notices immediately before its effective date if it passes, and after the Bill becomes effective the bill's dispute resolution procedures will look like a ghost town as intelligent lenders will just bypass it entirely, rendering the moratorium useless, by filing judicial foreclosures instead, which could further harm the homeowner in that the bill then allows the taking of deficiency judgments.

"I am also concerned that come October 1, 2011 if the DCCA has not been able to put its dispute resolution program into operation it appears the entire Bill evaporates.

"Mr. Speaker, the mortgage foreclosure task force included numerous banking industry representatives, including a representative of the Hawaii Financial Services Association, of which Bank of America, one of the most egregious players in this mess, is a member. This is basically allowing the 'fox to guard the henhouse.'

"Mr. Speaker, again, while I support the intent of this measure, and will vote yes, since it is the only serious foreclosure bill that we have at this time, I am concerned that it won't stop foreclosures to a large enough degree, and I urge my colleagues to work on a stronger legislation in the immediate future."

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 MORTGAGE FORECLOSURES," passed Final Reading by a vote of 47 ayes to 2 noes, with Representatives Marumoto and Riviere voting no, and with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 137 and S.B. No. 570, SD 2, HD 1, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that S.B. No. 570, SD 2, HD 1, CD 1, pass Final Reading, seconded by Representative Evans.

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

"Mr. Speaker, I rise in opposition. Mr. Speaker, this is one of the pillars of, or part of the $600 million tax increases that are proposed by the Majority. This one will eliminate the tax deductions and limit itemized deductions.

"But let me begin by saying the good thing about the bill. It doesn't have any pension tax in it. In the beginning it had taxing on pensions. And let me also begin by commending my colleague from Kaimuki who's now the star of YouTube's jousting with the Governor about the threshold or the floor of, the pension tax, and I'm sure she may have something to say about this bill.

"But this bill takes the standard deduction and delays it. The personal exemption and delays the increase. And not that it's that bad. Our Caucus agreed to do this, but for only two years. This bill also eliminates deduction for State taxes paid, which our Caucus only wanted to delay. It also places a temporary limitation for itemized deductions. Mr. Speaker, as I said many times today, the fiduciary fiscal Hippocratic Oath is do no harm to Hawaii's family, jobs, and don't stall the economy.

"This bill has the serious potential for us to pause and to know that this may pull back those who are the job creators, those who are going to make investments, those who counted on tax deductions, who otherwise might be creating jobs, to pause, to pull back, and literally stall our economy. Mr. Speaker, we can do better than this by passing legislation that grows the pie, and just doesn't keep cutting it up in smaller, and smaller pieces. Thank you."

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

"Thank you, Mr. Speaker. I rise with reservations on this measure. Thank you. You know, it's a big tax increase. And normally I would vote no, but I was so glad that the pension portion was removed from this particular bill. On Friday I was thinking, 'ding dong, the pension tax is dead.' So when House Bill 570 passed, minus the provision, I was truly happy. Yes, it would only have affected high-income earners above $100,000 for individual filers, but a lot of us were afraid that the income level would slide downward, if and when the State needed more money. And then if the AGI went down to $37,500, it would have indeed have been a very cruel tax.

"But all this Session, I received a steady stream of letters, phone calls, and emails. I was stopped several times in neighborhood markets and shopping centers, and none of the communications were form letters or robo-calls or blast faxes. They were all individual pleas reminding me that retirees could not afford to lose more income to taxes. There were several that reminded me that the Governor and Legislature should keep their hands off of our pensions. Many were incensed that they had worked for decades with the expectation that their pension would be tax free, and felt that the rug was being pulled out from under them."

Representative Cabanilla rose, stating:

"The pension tax is no longer in this bill, Mr. Speaker. So I think that should not be the discussion."

The Chair addressed Representative Marumoto stating:

"Representative Marumoto, please confine your comments to the measure on this page."

Representative Marumoto responded, stating:

"I think previous speakers have referred to the marriage of Prince William and Kate, and the death of Osama Bin Laden. I just have two or three more sentences if you'll allow me. Thank you.

"You know you legislators must have also received similar communications that amounted to a very focused message that people do not want their pensions taxed. This was not a big, powerful lobby. They are sincere cards and letters, and admonitions that really did the trick. It killed the pension tax. I want to congratulate these seniors and also the American Association of Retired People who worked very hard for that purpose. So I say the retirees have won the day. Thank you, very much."

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

"Mr. Speaker, in support. I'm just referring back to the Minority Leader's analogy about doing no harm. The problem is the analogy is not apt, because if we had not raised taxes, then we would have made cuts. We would have had to probably lay people off. We would have Furlough Fridays again. We would have to decrease the number of ag inspectors and elevator inspectors, and vector control personnel.

"Not raising taxes is not doing no harm. The harm just comes out on a different place. I think it's unfortunately that it's a zero sum game. If we raise taxes, $600 million, then people who have their taxes raised are hurt by $600 million. If we don't raise by whatever amount, I'm not sure if $600 million is the exact amount. But if we cut spending by the same amount, people lose their jobs, and services that people rely on that are provided by the government are lost as well. So it's not a matter of doing no harm. It's a matter of choosing which harm you think is more important. Thank you."

Representative Ward rose to respond, stating:

"Mr. Speaker, I think if we're going to be rebutting, we should be accurate. If we look at the structure of the economy, 80% of the jobs are in the private sector. I'm speaking on Conf. Com. Rep. 137, the huge tax increase.

"The notion that we have to protect public jobs is true. We have to protect public jobs. But the structure of an economy in a free society and a market driven economy, 80% of the jobs come out of the private sector. The private sector means that's the big job reservoir. If we look at the unemployment rolls, which are now at 6.4%, the huge, vast majority are private sector individuals. Not public sector individuals. And that's from the Lingle Administration up to now, it's been preservation of jobs and we have to continually try to do that, but when we stall the economy, this is where the gentleman from Chinatown needs to listen.

"When we stall the economy, those who are in the majority, unemployment lines, welfare lines, down and out, citing what the Homeless Czar said, Father Mark, 100,000 people in hidden homeless in the State of Hawaii. We're punishing the people of Hawaii by only thinking about government. We have to think about government, but that's not the whole enchilada. We are responsible for all the people of Hawaii. Just not maintain government jobs or maintaining government. We have to look at the bigger picture.

"If the bigger picture is 80% of the jobs come out of the private sector, we should be mindful when we increase by $600 million, that's almost the equivalent of a 1% GE Tax by the way. What we've done here with *manini*

here, *manini* there. We've basically put on the people of Hawaii a 1% increase or the equivalent of $500 million plus.

"The point is, Mr. Speaker, we need to protect all jobs, but these are hits on the private sector jobs of which a majority of the people in the unemployment lines, and we don't need that. We need to get them back to work. Thank you."

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

Representative Wooley's written remarks are as follows:

"I voted no on this bill the last time we voted on the floor, on April 12th. This time I vote yes.

"No one likes taxes, at least no one I know, and no one likes it if their tax breaks are taken away. Here, at the Legislature, we have talked time and time again about how to avoid raising taxes. We spent a lot of effort cutting government spending, but can only cut so much without eliminating essential services. As a result, even after all the cuts to government each year for the past three years, the big question has not been, "Should we tax?" The question has been, "Which taxes?"

"We heard a lot of proposals this time around, some worse than others. This bill, with the various versions that included a tax on pensions, was not acceptable, at least not to me or many of my constituents.

"It's not simply that seniors are a vulnerable group of people and the pension tax appears to simply pick on this one group, it's also that people have been making life decisions based on their expectations about their pension income and tax rates.

"To add insult to injury, the proposed pension tax in the previous version of this bill barely raised any money. Why should so many seniors suffer stress and worry for so little?

"I want to thank AARP, the 22 other members of the House who voted no on the last version of this bill and the Senate members for all their work on this issue. Without their efforts, we would have seen a different outcome today.

"This version of the bill is a victory for all of us. Our *kupuna* will sleep better, none of us will have to witness the messy litigation to determine whether or not the taxing of pensions is constitutional or not, and the conflicts over this issue will end ... at least for today."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 570, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Final Reading by a vote of 43 ayes to 6 noes, with Representatives Brower, Cullen, Hanohano, Hashem, Nishimoto and Ward voting no, and with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 138 and S.B. No. 754, SD 1, HD 1, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that S.B. No. 754, SD 1, HD 1, CD 1, pass Final Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. First I'd like to disclose a potential conflict. I have contractors in the family," and the Chair ruled, "no conflict."

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

"Thank you. Mr. Speaker, I'm rising to speak against Senate Bill 754, which does hit the private sector very severely. Yes, I'm in opposition. Very much in opposition. Mr. Speaker, I'm talking about the subcontractor deduction that had been in place because if that deduction had not been in place, contractors would have had an untold pyramiding tax to have to pay. Well, Senate Bill 754 now does that to the contractors in our State and the problem is Mr. Speaker, that we look at the building industry as one of the engines, economic engines in this State to help pull us out of our depression. Now we've done something that is going to just slow them down and make it very difficult for them.

"The Building Industry Association of Hawaii made some comments and some of you have these because I handed them out to you. They're talking about how Senate Bill suspends the deduction for payments to subcontractors from the calculation of the general excise tax liability of contractors. This now results in a pyramiding of the general excise tax paid on all construction projects. For most contractors, the subcontractor deduction runs between 60% to 80% of the total moneys received so that under the current law, general contractors generally pay general excise tax on 20% to 40% of funds received from the owners so they don't have that pyramiding effect. Now the Senate Bill increases the general excise tax liability of general contractors by 300 to 400%. Listen to that. I mean, that's just unconscionable. The larger the project, generally the higher percentage of funds are paid to subcontractors.

"Some lawmakers have been told, and in fact I have a colleague within this Body that has said what I'm going to tell you now. The increase in taxation can be avoided if subcontractors bill owners directly. Well that's really questionable tactics. We pass a bill to put more money into the State's coffers and then say, 'Hey wait a minute. The contractors don't have to follow it. Here's a cutesy way of getting around this provision.'

"First if this is true, goes the BIA, 'This is a strong argument to not suspend the deduction as it would generate no additional revenue. Second at best, such a tactic would effectively make the construction contract a cost-plus contract which would dramatically shift the risk of cost overruns and defective workmanship to the owners, making it highly unlikely such an arrangement would be adopted.' In other words, is an owner going to go along with this scheme to avoid paying pyramided taxes? Then goes BIA, 'At worst, this tactic could be interpreted as a form of tax evasion, depending on how the arrangement is structured.'

"So what we're doing is passing a bill that some Members in this Body say, 'Gee, you can evade paying it so go ahead and evade these taxes.' That's really questionable, Mr. Speaker. BIA goes on, 'General contractors play a key role in managing project quality and controlling cost. To say that subcontractors could simply bill the owners directly ignores this basic fact of the construction industry. Most projects require bonding by the general contractors thus it would be improbable to contract with the subs directly.'

"So we're taking a step today in passing this bill to hit one of the most important industries in our State with a 300% to 400% increase in taxes."

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

Representative Thielen continued, stating:

"Some in this Body are saying, 'Not to worry. Evade your taxes, I'll give you a scheme whereby you don't have to pay them.'"

Representative B. Oshiro rose to a point of order, stating:

"Point of order, Mr. Speaker. I've been letting this go on, but it is improper under *Mason's*, as well as our Rules to misalign anyone's motives. You can talk about the bill. You can talk about its consequences. But you cannot talk about Members and their motives."

The Chair addressed Representative Thielen, stating:

"Please confine your comments to the bill."

Representative Thielen continued, stating:

"Okay, let me just continue on with this whole scenario. Mr. Speaker, when we take a look at trying to pull together an economic recovery we

turn to the construction industry to say that they're the one of the most important areas. Military is too, but that spending is out of our control. Contractors are not out of our control. They're the ones that if you're a homeowner, or if you're hoping to be a homeowner and you want to remodel a house, you have a contractor come to you and say, 'Well, I've got this scheme where you're going to have to pay this sub directly and have a separate contract with them.' You're going to go, 'What are you talking about? What's going on here? What's happening?' And most of the contractors that I personally know wouldn't do that kind of questionable arrangement because it is tax evasion no matter how you structure or what you say. It's tax evasion.

"So we're taking a step today and I hope those of you that are voting for this bill recognize what you are doing to an industry that is so important to our recovery. We don't hit that industry with a 300% to 400% tax increase. Thank you, Mr. Speaker."

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

"Mr. Speaker. May I have a ruling on a potential conflict? I am a sublessee," and the Chair ruled, "no conflict."

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

"May I speak in support of the measure before this Body? General excise tax exemptions. The general excise tax. What are they? When they were created in the late '60s or '70s, the general excise tax was the tax of the rich. They wanted to have every business transaction be affected by this particular law that we have on the books throughout the years. Yes, it is time for this Body to review the exemptions that are on the books. It has taken me 16 years, Mr. Speaker, to have this particular measure brought to the Floor of the House.

"When I was the Chair of Finance, in my first year as Chair, I brought this issue up. The churches, the nonprofits, everyone came out in opposition. But at the end of the day, Mr. Speaker and Members of the House, what would be your solution to a $400 million revenue enhancement measure that does not affect everyone, but those that are part of the bill today? What is your solution Members of the House, in addressing this budget shortfall?

"I am a sublessee willing to sacrifice that 4.5% at this point and time. It is part of P and L, but I'm willing because everyone in the canoe has to share a little for the greater good of the people of the State of Hawaii.

"Members of this Chamber have stated for the record, that we're proud that this Body has not addressed an increase, an increase in the general excise tax where these entities would still be exempt if it was adopted. All we're asking for is that these 22 entities pay a fair share of what the present law as it was created was all about. The general excise tax is a tax of every business transaction.

"I shared with those who are opposed to this measure, those entities, businesses that have come to see me, that the bottom line for all of you is this. Would this Body have been willing to address a GET increase and affect 1.4 million people in the State of Hawaii? Or support this measure and affect maybe close to 150 employees throughout the State of Hawaii in the private sector, and those companies. You make that choice this afternoon. Everybody wants services which the Speaker Emeritus from Maui talked about, but nobody wants to pay the bill.

"I followed the presentation given by the ALEC and Jonathan Williams for the Minority, which I attended. A lot of that particular proposal this Chamber has addressed. So I'm saying to all of those who are being affected today in the suspension for two years, please consider it for the greater good of our community rather than our own special interest and protectionist views. Thank you, very much."

Representative Thielen rose to respond, stating:

"Thank you, Mr. Speaker. And thank you, Mr. Speaker, for asking that question. And here's my answer. First of all, we take a salary deduction that should have been the top item that we did this Session. We reduce our salaries and that money goes into the general funds.

"Second of all, we turn the Bureau of Conveyances over to the private sector, which pays the State money for doing what the Bureau actually does now, but can be done just as well or even better by the private sector. We take that space in the Department of Land and Natural Resources, bring in one of the agencies or divisions that are renting in the private sector and in the budget today before us there's a dollar figure of about $5 million for that rental in the private sector. We put them into this State building. Mr. Speaker, those are just a few ideas that I have and those will bring money into the general fund. Then we don't have to harm an industry that is responsible for our economic recovery. Then we have an economic recovery that truly will pull us out of the recession that we are in now. There are other ways.

"Salary deductions for all legislators, now. Privatize the Bureau of Conveyances and get the other departments out of private sector locations where they're paying large amounts, $5 million or more a year for those facilities. Those are just two ideas, but we don't have to hurt our economic engine and that's what this bill does. Thank you."

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

"Mr. Speaker, I rise in strong support. Just so we have some basis of speaking from fact, I think we have several more days left in this Session. We passed out a balance budget, much of it is dependent upon this particular measure. And just let me throw out a shot of reality so the Members and the audience listening in know what this bill means.

"It means $173 million for fiscal year '12 that starts on June 30, 2011. It also means $220 million for fiscal year '13. These are two important components to realize. $173 million for fiscal year '12, and $220 million for fiscal year '13. And these two numbers have been incorporated into the budget allowing us to not cut more than about $800 million in the budget and giving us a cash balance of about $150 million in fiscal year '12 in case the Council of Revenue's projection goes down.

"So if anyone wants to talk about not moving this bill forward, I am open to receive any amendments today and the source of where they will make up those revenues. But just keep in mind, Members, you can go ahead and eliminate most of State government entirely except for the Departments of Human Services, Health, DOE, and University. You can eliminate about 14 departments and agencies, and you'll come up with about $200 million. Thank you, Mr. Speaker."

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

"Mr. Speaker, I rise in opposition. I would like to continue with the vision deficit that was brought up by my colleague from Kailua. This is a budget deficit, but really the vision deficit of thinking other than hitting the private sector that creates the jobs. And she's only talking about the contracting industry. What about the airline industry that's going to take a hit and make everybody pay more to fly to various parts of the U.S., as well as interisland. 80% of our foods come from ships. Those who unload and load ships are going to be hit.

"So Mr. Speaker, I appreciate you getting up and speaking out with such compassion, but Mr. Speaker, the vision of where we are taking the people of Hawaii leaves a lot to be desired. We have to show how year after year we're not just going to keep cutting in to what otherwise has been the sustaining part of our economy. And as my colleague from Kailua said, what got us out of the slump of the '90s? The real estate market. And following the real estate market, the construction market. We can't keep hammering these back down.

"The vision deficit is we've got to, as I mentioned earlier in one of my speeches, the green jobs that we basically passed right by. The lack of political will to do solar and photovoltaic. We punted it over to the PUC instead of taking the policy by the horns and implementing it. We have

proposals to sell Aloha Tower. Different ways of getting through these difficult times.

"Mr. Speaker, this bill gets us $175 million as the Chair of Finance said. It's a fixed pillar in this budget. But a fixed pillar, if it holds up the building, but then in a couple of years collapses the whole structure, what good will it have been? And that's what your Minority is saying. Be careful of stalling the economy, hurting those jobs that are there because if we get any more unemployment, then we will cut our nose to spite our face. We have to be long range with strategic planning, working on our strengths, minimizing our weaknesses.

"And our weaknesses in the State of Hawaii are quite frankly, taxing and taxing. Learning and getting a reputation that we're anti-business. We're not welcoming people. Investment capital is minimal. And this is again, for saving the government workers and the private sector workers. But I think this Body is a little bit tilted too far on the public sector workers and forgetting those who are out there in the private sector. That's 80% of who the people of Hawaii are who we are supposed to all represent.

"So Mr. Speaker, this is a pillar, but I think it's going to hold up the wrong building with the economy that we know cannot support all of these tax increases. With that, I'm voting no and I hope my colleagues will also vote no. Thank you."

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

"Mr. Speaker. Thank you. I am in support of this measure. There has been a lot of discussion regarding government services, business, and fairness, and this bill may somehow hurt the industry and recovery. Well my response to that is, what about the tourist industry that not only pays their General Excise Tax, but pays a Transient Accommodation Tax and creates jobs. What about the taco restaurant that we had here a few weeks ago who invested money, created jobs to open a restaurant. They pay General Excise. What about the renewable energy company who may come here and try and invest. When they sell, they will pay the General Excise Tax.

"This bill merely creates a level playing field amongst all businesses. This is a pro-business bill. If you pay general excise tax now, you're going to like this bill because everybody else who did not have to pay it will now have to pay it.

"And one of the issues that was brought up is the issue of the airlines. Prior to Continental being moved here, everyone else had to pay on their maintenance facility. They used to do it, and then when one exemption was given to one company, the other companies said, 'Well, I want mine too.'

"If you look at most tax policy books, and whether it's conservative or not, one of the key points of a tax policy is, is it fair and broad. We have broad, but it wasn't really fair. So this bill is a pro-business bill because as the Representative from Wahiawa said, if anybody has any other ideas to make up the ... I don't know. I think it's over $300 million over two years. Then who's going to pay for it? Everybody else, so that these companies can continue to have their exemption?

"And as the speaker from Palolo said, we have over a billion dollars, and that's billion with a 'b', in exemptions. Everybody else has to come before us every year. The Department of Education, University of Hawaii, State hospitals and ask for money. But those with these exemptions, they don't have to. They get theirs every year. And so this bill, yes, it helps us balance our budget and address our shortfall. But it also helps and provides fairness in the General Excise Tax Code.

"And finally, on the issue of government. You know the Chair of Finance, the Committee, and all the Members here have done a great job to maintain costs and balance the budget. Nobody here is saying that we need to protect public jobs, but rather to protect public trusts. In a capitalist society and a society of democracy, the last time I checked, private business didn't do it on their own either. You need an educated workforce, and last I checked you can get that from the Department of Education and the University of Hawaii. To the prior speaker regarding the construction industry, we have the trade schools at the Community College System. One of the other things that we provide is infrastructure which is another thing we talked about today. Can there be commerce without roads or harbors or airports? No. Would business invest if there's not good infrastructure? No. Will there be democracy without a public library system? No."

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

Representative Chong continued, stating:

"Thank you. I'm almost done. And so the issue that it's the private sector that does everything. The private sector invests and they take risks. They are one of the key components of our economy. But like in life, I'm very lucky to be here as an elected official. It's a professional success. Did I do it on my own? No. Was it my third grade teacher who helped me? Yes. Was it my mom and my dad? Yes. Was it my mentor in college? Yes. Nobody does anything on their own, not even the private sector. And we all live together, and we will succeed together. Thank you."

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

"Thank you, Mr. Speaker. I stand in support of the measure. I think one of the things that hasn't been said is that some of the things in the bills that we passed, or tried to pass this year have been recommendations by the experts. And by the experts I mean the Tax Review Commission. It's really easy to grandstand about certain issues when you have an audience, but really, some of the things we've been doing have been highly recommended for a number of years. I'm just happy that we can stand up today and say, we're really happy that we did not have to pass an increase in the General Excise Tax, because who does that harm? It harms the elderly.

"Who else does it harm? Children, the poor, and business. So I'd like to add some additional comments in the record, but when we're criticizing, we ought to remember that some of the actions that we have taken have been recommended by the experts. Thank you."

Representative M. Lee's written remarks are as follows:

"Mr. Speaker, I rise in favor of this measure which temporarily suspends the exemption from the general excise tax from certain persons and corporations.

"The exemptions would be suspended for 2 years at 4%. This is an essential element of the House Financial Plan, and is a matter of fairness as some entities have enjoyed this exemption for many years.

"During this period of financial crisis, everyone needs to help. Entities such as these would be helping the State to recover from the deficit, and also be a factor in avoiding an increase in the GET. I urge the Members' support."

Representative Ward rose, stating:

"Mr. Speaker, would the Representative from Kaneohe take a question without a recess?"

The Chair responded, stating:

"What is the question, Representative Ward?"

Representative Ward responded, stating:

"I guess he's not going to respond to that. The question would have been, if it's about fairness, because that was the second premise in his discussion. If it's about fairness, why did we put a sunset? It's $175 million that in two years, suddenly those guys that are equal to all other GE Tax payers, they get to come up and get off the field. If it's just about that and not the money, I think the fairness article and the issue would have substance.

"The point is these are people who are part of the economy, and the job of the government is to be the referee in the marketplace, not playing one side or the other. I'm not going to go into the frozen bread and all the other issues that we've taken up on this Floor, where we as the government, the referee, start playing on one side of the equation and not the other. So, Mr. Speaker, if it's about fairness, this wouldn't have a sunset. And if they're looking for a modification, let's have this thing go forever and ever if they feel that strongly about it. Thank you."

Representative M. Oshiro rose to respond, stating:

"Mr. Speaker, I rise in support again with just a couple of points. I think an important one is this is a two-year measure, two years of temporarily setting aside the exemption of the GET by these businesses. It's for two years.

"The second point that needs to be made regarding the interisland shipment of goods is, at the Conference we did put in a provision in the Conference Draft to address most of the interisland shipment of goods between Honolulu and the Neighbor Islands through exclusion of the stevedoring services as subsidiaries of those major shippers such as Matson and Pasha, so it has been addressed.

"Another point on the airlines. The airlines' GET exemption came into being back when we had two airlines. Aloha and Hawaiian. And if one would go back and look at the Committee Report that was passed out back in 1991 or thereabout, it was for the specific purpose of supporting the intra-island air service between the islands. It has expanded since that time to include interstate, and now even foreign airline transportation, when back in 1991 it was to support two intra-state airlines. Today we only have one major provider. Aloha is gone, so it's primarily Hawaiian Air.

"Regarding the maintenance facility exemption, that too was done several years ago back in 1998, I believe, when then Governor Cayetano sought to woo Continental Airlines to erect and build a maintenance facility here for Continental Airlines. We created that exemption and that's where it's been all this time. And we've never gone and reviewed it.

"Just so you understand what this might mean for the airlines. If they fly about 8 million a year and they may pay about $12 million more, in 2012 that comes out to about $1.50 per ticket. So if they're flying between Hawaii and California, they'll pass on a $1.50 more on a ticket of maybe $300."

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

Representative M. Oshiro continued, stating:

"Thank you. If it's on a flight between here and Asia, or a ticket to Australia which is about $900. Or a ticket to South Korea at about $800. A ticket to Manila about $1,000. A ticket to Tokyo for about $1,100. This will add about another $1.50 to $1.90 per ticket. Those are the real numbers, Mr. Speaker, that were provided to us in public testimony by Mr. Wagner. So let's keep things in perspective. Thank you."

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

"Thank you, Mr. Speaker. In support. Thank you, Mr. Speaker. I think sometimes we forget things that have happened in the past, Mr. Speaker. As I've heard the debate from the Minority Caucus and I think about the budget that was presented to us by the previous Administration on their way out, I believe that this Body passed a budget that was less than that. So if I were a Member of the Minority Caucus, I'd be saying, 'Wow. They did more with less,' Mr. Speaker.

"And to the Representative from Kailua, as far as some of her points, if we just eliminated this Body right here, 51 Members, you're talking about $2.5 million. If we eliminated the Senate, you're talking about $1.25 million. If you eliminated as she said, the DCCA, that's $5 million. In total, that's just $8 million. So, Mr. Speaker, I don't know where the rest of the money is going to come from."

Representative Thielen rose, stating:

"Mr. Speaker, a point of personal privilege. Yes, he's misstating what I said and I'll be very glad to call a recess and go over and tell him again what I said."

Representative Tokioka: "Mr. Speaker, if I misstated, I apologize. But that's what I heard."

Representative Thielen: "Yes, he did."

Representative Tokioka: "If I misstated, I apologize, Mr. Speaker. But the point is that total comes out to $8.75 million which is still nowhere near enough to balance the deficit that we have, Mr. Speaker. And so for those reasons, I strongly support this and I appreciate the opportunity to speak, Mr. Speaker. Thank you."

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

"Mr. Speaker. Can I please get a ruling on a potential conflict? At my law firm I represent contractors and subcontractors. Thank you," and the Chair ruled, "no conflict."

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. In support and in rebuttal. The Representative from Kailua is again pandering to the crowd and not making hard policy decisions, or for that matter, any sense. As with most of the rhetoric she spouts, she again tells people what they want to hear; instead of they need to hear.

"First, she does not understand that the General Excise Tax (GET) is made to tax transactions at every level. That's the reason why we pay a mere 4% instead of the 10 plus percentage point like residents of other states that have a sales tax. The General Excise Tax system embodies pyramiding.

"Second, she does not understand that by granting exemptions to certain groups, the rest of us have to pay more. Exemptions from the GET have now reached the billion dollar mark. That is equal to approximately two percentage point of GET. Wouldn't it be fairer for everyone if our GET was reduced by two points instead of favoring just few select groups?

"Third, it is not fair to give tax preferences to a specific group. I have been in business for over thirty years and have received no tax preferences from the government. Why should any one group be favored over another?

"Fourth, during the remarks by the Representative from Kailua she mentioned something about tax evasion; again not knowing the difference between tax avoidance and tax evasion. Judge Learned Hand once said:

"Anyone may arrange his affairs so that his taxes shall be as low as possible; he is not bound to choose that pattern which best pays the treasury. There is not even a patriotic duty to increase one's taxes. Over and over again the Courts have said that there is nothing sinister in so arranging affairs as to keep taxes as low as possible. Everyone does it, rich and poor alike and all do right, for nobody owes any public duty to pay more than the law demands."

"Finally, there is a lesson for all of our colleagues in this debate. That lesson is, we must be very careful when giving preferences to any special interest group. Tax preferences are like a drug that one can very easily become addicted to.

"We have witnessed how groups have become so protective of their tax preferences. We have heard the exaggerations of how jobs will be lost and industries crumble. Interference with the natural progression of economics and the success of businesses by the government is not good for the

stability or strength of our economy; I think this is a Republican philosophy.

"I stand in strong support of this measure!"

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

"Thank you, Mr. Speaker. I'd like to ask for a ruling on a potential conflict. We are sublessees, and we also have contractors in the family," and the Chair ruled, "no conflict."

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

"Thank you. In strong support. We're willing to be a part of the solution. Thank you."

Representative McKelvey rose in support of the measure and asked that the remarks of Representatives Chong and M. Oshiro 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. 754, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Final Reading by a vote of 39 ayes to 10 noes, with Representatives Brower, Ching, Cullen, Fontaine, Har, Johanson, Marumoto, Riviere, Thielen and Ward voting no, and with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 139 and S.B. No. 1186, SD 2, HD 1, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1186, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE TRANSIENT ACCOMMODATIONS TAX," passed Final Reading by a vote of 48 ayes to 1 no, with Representative Brower voting no, and with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 140 and H.B. No. 1020, HD 2, SD 2, CD 1:

Representative B. Oshiro moved that the report of the Committee be adopted, and that H.B. No. 1020, HD 2, SD 2, CD 1, pass Final Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. I'm going to request to put comments in the Journal. I'm sure you're going to be pleased with that. I'm voting in favor of the measure. I have one reservation and that's because of Section 4, which prematurely abolishes the harbor's modernization group, and if I may have your permission to put the comments in the Journal."

Representative Thielen's written remarks are as follows:

"Mr. Speaker, I rise in support with reservations on HB1020, a bill relating to the Aloha Tower Development Corporation.

"In particular, I want to draw attention to Section 4 of this measure which prematurely abolishes the Harbors Modernization Group and reverses the important work this Legislature accomplished in 2007 and 2008.

"In 2007 my colleagues and I passed Act 127 which established an unprecedented partnership between the State Department of Transportation and the organizations that use these harbors. Known as the Harbors Modernization Group, the collaborative effort between unions, commercial shipping companies, State officials, the cruise ship industry, and similar harbor users set the framework for a comprehensive prioritization of what needed to be done to modernize our State Harbor facilities.

"An estimated 90% of everything Hawaii uses comes into this State via our State harbors. These facilities have not enjoyed the kind of upgrades and reinvestment necessary to keep Hawaii competitive and ensure we can handle the cargo needs of our State in the 21st century.

"The Harbors Modernization Group set about to examine and prioritize harbors CIP needs and to set forth the fiscal framework to pay for the modernization.

"In 2008 the Legislature recognized the initial work of this group and enacted Act 200 to codify the first set of harbors projects under the modernization program. That Act recognized that a major multi-island modernization program is a long range effort and specifically indicated that Act 200 should remain in effect through June 30, 2016.

"The bill before us today, undoes the important and useful work of the Harbors Modernization Plan and jeopardizes the fundamental arrangements that made it possible to ensure that Hawaii has the infrastructure necessary to meet the shipping demands of a modern era.

"For the above reasons, I will vote aye with reservations on HB 1020."

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

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

"I have reservations for the very same reason that was raised by the Representative from Kailua. 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. 1020, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ALOHA TOWER DEVELOPMENT CORPORATION," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

Conf. Com. Rep. No. 141 and H.B. No. 1039, HD 1, SD 2, CD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1039, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TRANSPORTATION," passed Final Reading by a vote of 47 ayes to 2 noes, with Representatives Thielen and Ward voting no, and with Representatives Carroll and Pine being excused.

At 2:43 o'clock p.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 1270, SD 2, HD 1, CD 1
S.B. No. 651, SD 2, HD 2, CD 1
S.B. No. 570, SD 2, HD 1, CD 1
S.B. No. 754, SD 1, HD 1, CD 1
S.B. No. 1186, SD 2, HD 1, CD 1
H.B. No. 1020, HD 2, SD 2, CD 1
H.B. No. 1039, HD 1, SD 2, CD 1

REPORTS OF STANDING COMMITTEES

Representatives Takumi and Wooley, for the Committee on Education and the Committee on Culture & the Arts presented a report (Stand. Com. Rep. No. 1756), recommending that S.C.R. No. 130, SD 1, be referred to the Committee on Finance.

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committees was adopted and S.C.R. No. 130, SD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF EDUCATION TO CONSIDER USING THE PROPERTY LOCATED ON YOUNG STREET, ADJACENT TO THE ACADEMY ART CENTER, AS AN ART RESOURCE CENTER FOR TEACHERS," was referred to the Committee on Finance, with Representatives Carroll, Herkes, Nishimoto and Pine being excused.

Representative Takumi, for the Committee on Education presented a report (Stand. Com. Rep. No. 1757), recommending that S.C.R. No. 145, be referred to the Committee on Finance.

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and S.C.R. No. 145, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE BOARD OF EDUCATION AND THE DEPARTMENT OF EDUCATION TO COLLABORATE WITH PARENT ORGANIZATIONS TO DEVELOP STATEWIDE POLICIES FOR FAMILY ENGAGEMENT FOR HAWAII'S PUBLIC SCHOOLS," was referred to the Committee on Finance, with Representatives Carroll, Herkes, Nishimoto and Pine being excused.

FINAL READING

Representative B. Oshiro moved to agree to the amendments made by the Senate to the following House Bills, seconded by Representative Evans and carried: (Representatives Carroll, Herkes, Nishimoto and Pine were excused.)

H.B. No. 318, HD 2, (SD 2)
H.B. No. 404, HD 1, (SD 1)
H.B. No. 773, HD 1, (SD 1)
H.B. No. 953, HD 2, (SD 1)
H.B. No. 968, HD 1, (SD 1)
H.B. No. 1009, HD 2, (SD 2)
H.B. No. 1036, HD 1, (SD 2)
H.B. No. 1313, HD 2, (SD 1)
H.B. No. 1532, HD 2, (SD 2)

The Chair addressed the Clerk who announced that the record of votes for the appropriate measures had been received which indicated that the requisite number of House Conferees appointed had agreed to the amendments made by the Senate, and had cast affirmative votes to report said measures to the Floor for final disposition.

H.B. No. 318, HD 2, SD 2:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 318, HD 2, on the following showing of Ayes and Noes:

Ayes, 4 (Aquino, Cullen, Herkes and Fontaine). Noes, none. Excused, 1 (Tsuji).

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, H.B. No. 318, HD 2, SD 2, entitled: "A BILL FOR AN ACT RELATING TO VOG," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

H.B. No. 404, HD 1, SD 1:

Representative B. Oshiro moved that H.B. No. 404, HD 1, SD 1, pass Final Reading, seconded by Representative Evans.

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

"Mr. Speaker, I rise in support of House Bill No. 404, House Draft 1, Senate Draft 1. Thank you. Mr. Speaker, this is Relating to the Issuance of a Special Purpose Revenue Bond to assist Palolo Chinese Home and its subsidiaries.

"Today the Palolo Chinese Home, a private 501(c)(3) nonprofit organization is Hawaii's largest and second oldest adult residential care home. They are a community-based free-standing geriatric care home that provides a residential non-medical setting for adult residential care, skilled nursing, intermediate-care, adult day care and overnight respite services.

"The Palolo Chinese Home continues this excellence established so long ago by adhering to their mission statement to assist and care for elders and their families by providing a continuum of care, professional and interdisciplinary in a culturally-sensitive family setting. The Palolo Chinese Home continues to honor its founding principles while moving forward with a planned growth of its facilities and programs to provide a continuum of care for Hawaii's elder community. It meets its mission to aid the aged in Hawaii regardless of the race, regardless of religion, gender, or national origin. That is why this special purpose revenue bond is so important and I rise to speak for it in strong support. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and H.B. No. 404, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST PALOLO CHINESE HOME AND ITS SUBSIDIARIES," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

H.B. No. 773, HD 1, SD 1:

Representative B. Oshiro moved that H.B. No. 773, HD 1, SD 1, pass Final Reading, seconded by Representative Evans.

Representative M. Lee rose to disclose a potential conflict of interest, stating:

"I'd just like to declare a possible conflict. My husband is a graduate of St. Louis School," and the Chair ruled, "no conflict."

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

"May I have a ruling on a potential conflict on behalf of Representative Yamane, Representative Chong, and myself? We're all graduates of St. Louis High School. Thank you, very much. Representative Yamane, you're okay," and the Chair ruled, "no conflict."

The motion was put to vote by the Chair and carried, and H.B. No. 773, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR SAINT LOUIS SCHOOL," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

H.B. No. 953, HD 2, SD 1:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 953, HD 2, on the following showing of Ayes and Noes:

Ayes, 6 (Takumi, Rhoads, Yamashita, Belatti, Mizuno and Johanson). Noes, none. Excused, 1 (Evans).

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, H.B. No. 953, HD 2, SD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Final Reading by a vote of 38 ayes to 11 noes, with Representatives Cabanilla, Ching, Cullen, Fontaine, Hanohano, Hashem, Marumoto, McKelvey, Thielen, Wooley and Yamane voting no, and with Representatives Carroll and Pine being excused.

H.B. No. 968, HD 1, SD 1:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 968, HD 1, on the following showing of Ayes and Noes:

Ayes, 6 (Mizuno, Keith-Agaran, Aquino, Jordan, Tsuji and Pine). Noes, none. Excused, none.

Representative B. Oshiro moved that H.B. No. 968, HD 1, SD 1, pass Final Reading, seconded by Representative Evans.

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

Representative M. Lee's written remarks are as follows:

"Mr. Speaker, I rise in strong support of this measure, which will ensure that Temporary Restraining Orders (TROs) issued pursuant to HRS Chapter 586 remain in effect for one hundred eighty days or until the service of a Protective Order (PO) upon the respondent, whichever occurs first.

"Temporary Restraining Orders and Protective Orders are valuable tolls which victims of domestic violence can use to help protect them from abuse. However, there is a lapse in protection in cases where the respondent is served a TRO, but does not appear at the "Order to Show Cause Hearing" (OSC) where the Protective Order is granted. The approval of the Protective Order makes the TRO no longer enforceable until it has been served. Abusers are often aware of this loophole in the law and are intentionally absent from the OSC hearing to avoid service of POs, leaving domestic violence survivors vulnerable.

"This bill closes this loophole thereby providing abuse victims the safety and security that a TRO is supposed to provide them. For these reasons, I urge the Members' support."

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

Representative Aquino's written remarks are as follows:

"Thank you, Mr. Speaker. I rise in strong support of this measure. House Bill 968 provides coverage and greater protection for victims of domestic abuse by clarifying the transition between temporary restraining orders and protective orders. At times, there are "gaps of continuing protection" which could potentially place people in harmful and dangerous situations. Mr. Speaker, this measure is needed to ensure that these "gaps" can be covered. Domestic violence and other related issues are unfortunately a part of today's society. Bills such as this ensure victims are protected throughout the process. Thank you."

The motion was put to vote by the Chair and carried, and H.B. No. 968, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO DOMESTIC ABUSE PROTECTIVE ORDERS," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

H.B. No. 1009, HD 2, SD 2:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 1009, HD 2, on the following showing of Ayes and Noes:

Ayes, 4 (Keith-Agaran, Choy, McKelvey and Thielen). Noes, none. Excused, none.

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, H.B. No. 1009, HD 2, SD 2, entitled: "A BILL FOR AN ACT RELATING TO FINGERPRINT RETENTION BY HAWAII CRIMINAL JUSTICE DATA CENTER," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

H.B. No. 1036, HD 1, SD 2:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 1036, HD 1, on the following showing of Ayes and Noes:

Ayes, 4 (Rhoads, Yamashita, B. Oshiro and Fontaine). Noes, none. Excused, none.

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, H.B. No. 1036, HD 1, SD 2, entitled: "A BILL FOR AN ACT RELATING TO FEDERAL TAX QUALIFICATION REQUIREMENTS FOR THE EMPLOYEES' RETIREMENT SYSTEM," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

H.B. No. 1313, HD 2, SD 1:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, H.B. No. 1313, HD 2, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST WINDWARD NAZARENE ACADEMY," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

H.B. No. 1532, HD 2, SD 2:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 1532, HD 2, on the following showing of Ayes and Noes:

Ayes, 3 (B. Oshiro, Choy and Luke). Noes, none. Excused, 1 (Thielen).

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, H.B. No. 1532, HD 2, SD 2, entitled: "A BILL FOR AN ACT RELATING TO REAL PROPERTY TAX APPEALS," passed Final Reading by a vote of 49 ayes, with Representatives Carroll and Pine being excused.

At 2:51 o'clock p.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 318, HD 2, SD 2
H.B. No. 404, HD 1, SD 1
H.B. No. 773, HD 1, SD 1
H.B. No. 953, HD 2, SD 1
H.B. No. 968, HD 1, SD 1
H.B. No. 1009, HD 2, SD 2
H.B. No. 1036, HD 1, SD 2
H.B. No. 1313, HD 2, SD 1
H.B. No. 1532, HD 2, SD 2

At 2:51 o'clock p.m. Representative Tokioka requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 3:00 o'clock p.m.

SUSPENSION OF RULES

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the rules were suspended for the purpose of reconsidering action previously taken in disagreeing to amendments made by the Senate to certain House Bills. (Representatives Awana, Cabanilla, Carroll, Har, Pine and Takai were excused.)

RECONSIDERATION OF ACTION TAKEN

Representative B. Oshiro 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 Evans and carried: (Representatives Awana, Carroll, Har and Pine were excused.)

H.B. No. 575, HD 1, (SD 2)
H.B. No. 916, (SD 1)
H.B. No. 922, (SD 3)
H.B. No. 1038, HD 2, (SD 2)
H.B. No. 1076, HD 1, (SD 2)

ANNOUNCEMENTS

Representative Ito: "Mr. Speaker, I'd like to take this time to say thank you to everyone who supported the Foodbank this year and acknowledge some of the people. I want to thank:

The Chief Clerk, Pat Mau-Shimizu and the staff of CCO for the Taste of CCO, and the Peanut Butter Sandwiches;
Representative Manahan for the Spaghetti Plate Lunch;
Representative Aquino for the Tanioka Bentos;
The Freshman Class, Representatives Cullen, Ichiyama, Hashem, Jordan and Morikawa for the Freshman Bake Sale;
Representatives Tsuji and Hashem for Ag Awareness Day;
Representative Nakashima for the Jamba Juice;
Representative Keith-Agaran for Bentos, Sushi and the Mystery Bag event;
Representative Mizuno for the Filipino Breakfast;
Representative Awana for the Naked Cow Dairy;
Representative Choy's Frozen Assets Ice Cream;
Representatives Yamashita, Hashem, Blake Oshiro, Chong, Manahan, Choy, and Souki for the Bizarre Bazaar,
Representative Rhoads for their Bake Sale; and
Mr. Speaker, your office for the Musubi Sale.

"As we all know, none of us could do any of these events without the help of staff. They are the ones working quietly behind the scenes to help make all of us look good! So I would like to give a wholehearted thanks to all of the staff, especially my office manager Melissa Miranda-Johnson for coordinating this event. In addition, for anyone who purchased something at the various events or wore a Foodbank t-shirt, thank you very much for your support.

"As a result, the House has donated a total of $10,846.75 to the Hawaii Foodbank, the Maui Food Bank, the Food Basket on Hawaii Island and the Kauai Independent Food Bank. So Members, thank you very much."

Representative Fontaine: "Yes, Mr. Speaker. I just wanted to thank the Majority Caucus, Speaker Say, and Representative Marilyn Lee for the fabulous lunch today. Again, thank you for inviting us."

Representative Ching: "Thank you so much, Mr. Speaker. On this occasion of May 3rd, I did want to announce that it is Teacher Appreciation Day, as well as week. So maybe we can all take time to thank those in our district who help make education better.

"And on that note as well, just to let you know that May does celebrate Historic Preservation Month, remembering our unique culture and our unique heritage. Thank you."

Representative Ward: "Mr. Speaker. I have an invitation from Gladys Burrill, the world's oldest marathon finisher. She was our guest speaker at the Fellowship Luncheon. It came about as we were talking about her longevity and her energy within the group. I believe it was the Representative from Waikiki who said, 'What if we came alongside you in the 2011 Marathon?'

"So we're in the process of opening an invitation. I just want to give a verbal one now, but there will be invitations coming to walk 26 miles with the world's oldest marathon finisher, Gladys Burrill. Thank you."

At 3:06 o'clock p.m. Representative M. Lee requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 3:06 o'clock p.m.

ADJOURNMENT

At 3:07 o'clock p.m. on motion by Representative Evans, seconded by Representative Ching and carried, the House of Representatives adjourned until 10:00 o'clock a.m. Thursday, May 5, 2011. (Representatives Awana, Carroll, Har and Pine were excused.)

HOUSE COMMUNICATIONS

House Communication dated May 2, 2011, from Patricia Mau-Shimizu, Chief Clerk of the House of Representatives, to the Honorable President and Members of the Senate, informing the Senate that the House has made the following changes to the conferees on the following measure:

H.B. No. 575, HD 1, SD 2 — Discharged all conferees.

House Communication dated May 2, 2011, from Patricia Mau-Shimizu, Chief Clerk of the House of Representatives, to the Honorable President and Members of the Senate, informing the Senate that the House has made the following changes to the conferees on the following measure:

H.B. No. 1076, HD 1, SD 2 — Discharged all conferees.

House Communication dated May 3, 2011, from Patricia Mau-Shimizu, 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 14, 2011, and gives notice of intent to agree to the following House Bills:

H.B. No. 575, HD 1, SD 2
H.B. No. 916, SD 1
H.B. No. 922, SD 3
H.B. No. 1038, HD 2, SD 2
H.B. No. 1076, HD 1, SD 2

House Communication dated May 3, 2011, from Patricia Mau-Shimizu, 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 agreed to the amendments made by the Senate and passed the following House Bills on Final Reading:

H.B. No. 318, HD 2, SD 2
H.B. No. 404, HD 1, SD 1
H.B. No. 773, HD 1, SD 1
H.B. No. 953, HD 2, SD 1
H.B. No. 968, HD 1, SD 1
H.B. No. 1009, HD 2, SD 2
H.B. No. 1036, HD 1, SD 2
H.B. No. 1313, HD 2, SD 1
H.B. No. 1532, HD 2, SD 2

House Communication dated May 3, 2011, from Patricia Mau-Shimizu, 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 agreed to the amendments made by the Senate and passed the following House Bills on Final Reading:

H.B. No. 467, HD 2, SD 1
H.B. No. 924, HD 2, SD 2
H.B. No. 1056, HD 1, SD 2
H.B. No. 1107, HD 1, SD 2
H.B. No. 1434, HD 2, SD 1

House Communication dated May 3, 2011, from Patricia Mau-Shimizu, 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. 4, HD 2, SD 2, CD 1

H.B. No. 44, HD 1, SD 1, CD 1
H.B. No. 56, HD 2, SD 2, CD 1
H.B. No. 117, HD 2, SD 2, CD 1
H.B. No. 141, HD 1, SD 1, CD 1
H.B. No. 200, HD 1, SD 1, CD 1
H.B. No. 227, HD 2, SD 2, CD 1
H.B. No. 240, SD 1, CD 1
H.B. No. 300, HD 2, SD 2, CD 1
H.B. No. 301, SD 1, CD 1
H.B. No. 319, HD 1, SD 1, CD 1
H.B. No. 331, HD 2, SD 2, CD 1
H.B. No. 423, HD 1, SD 1, CD 1
H.B. No. 484, SD 2, CD 1
H.B. No. 491, HD 1, SD 1, CD 1
H.B. No. 545, HD 1, SD 1, CD 1
H.B. No. 555, HD 1, SD 1, CD 1
H.B. No. 593, HD 1, SD 1, CD 1
H.B. No. 597, HD 1, SD 1, CD 1
H.B. No. 605, HD 2, SD 2, CD 1
H.B. No. 616, HD 2, SD 2, CD 1
H.B. No. 663, HD 2, SD 2, CD 1
H.B. No. 667, HD 1, SD 2, CD 1
H.B. No. 680, SD 2, CD 1
H.B. No. 688, HD 2, SD 2, CD 1
H.B. No. 716, HD 1, SD 1, CD 1
H.B. No. 739, HD 2, SD 1, CD 1
H.B. No. 747, HD 1, SD 2, CD 1
H.B. No. 761, HD 1, SD 2, CD 1
H.B. No. 801, HD 2, SD 2, CD 1
H.B. No. 828, HD 2, SD 1, CD 1
H.B. No. 838, HD 2, SD 1, CD 1
H.B. No. 855, HD 1, SD 1, CD 1
H.B. No. 866, HD 2, SD 2, CD 1
H.B. No. 889, HD 2, SD 2, CD 1
H.B. No. 909, HD 2, SD 2, CD 1
H.B. No. 931, SD 1, CD 1
H.B. No. 945, HD 2, SD 1, CD 1
H.B. No. 960, HD 1, SD 2, CD 1
H.B. No. 985, HD 2, SD 2, CD 1
H.B. No. 1000, HD 2, SD 2, CD 1
H.B. No. 1003, HD 2, SD 2, CD 1
H.B. No. 1005, HD 2, SD 2, CD 1
H.B. No. 1020, HD 2, SD 2, CD 1
H.B. No. 1039, HD 1, SD 2, CD 1
H.B. No. 1045, HD 1, SD 2, CD 1
H.B. No. 1049, HD 2, SD 2, CD 1
H.B. No. 1052, HD 2, SD 1, CD 1
H.B. No. 1060, HD 1, SD 2, CD 1
H.B. No. 1070, HD 2, SD 2, CD 1
H.B. No. 1071, HD 2, SD 1, CD 1
H.B. No. 1079, HD 2, SD 1, CD 1
H.B. No. 1082, HD 1, SD 2, CD 1
H.B. No. 1085, HD 2, SD 2, CD 1
H.B. No. 1088, HD 1, SD 1, CD 1
H.B. No. 1089, HD 1, SD 1, CD 1
H.B. No. 1094, HD 1, SD 2, CD 1
H.B. No. 1138, SD 2, CD 1
H.B. No. 1155, HD 1, SD 1, CD 1
H.B. No. 1164, HD 1, SD 1, CD 1
H.B. No. 1230, HD 2, SD 1, CD 1
H.B. No. 1241, HD 2, SD 2, CD 1
H.B. No. 1286, HD 2, SD 1, CD 1
H.B. No. 1333, HD 1, SD 1, CD 1
H.B. No. 1342, HD 1, SD 2, CD 1
H.B. No. 1368, HD 2, SD 1, CD 1
H.B. No. 1405, HD 1, SD 1, CD 1
H.B. No. 1505, HD 2, SD 1, CD 1
H.B. No. 1520, HD 2, SD 2, CD 1
H.B. No. 1566, HD 1, SD 1, CD 1
H.B. No. 1568, HD 2, SD 2, CD 1
H.B. No. 1613, HD 1, SD 1, CD 1
H.B. No. 1654, HD 1, SD 1, CD 1
S.B. No. 2, SD 2, HD 1, CD 1
S.B. No. 14, SD 2, HD 1, CD 1
S.B. No. 23, SD 1, HD 2, CD 1
S.B. No. 34, SD 1, HD 1, CD 1
S.B. No. 40, SD 2, HD 2, CD 1
S.B. No. 44, SD 1, HD 1, CD 1
S.B. No. 45, HD 1, CD 1
S.B. No. 49, SD 1, HD 2, CD 1
S.B. No. 52, SD 1, HD 1, CD 1
S.B. No. 101, SD 1, HD 2, CD 1
S.B. No. 105, SD 2, HD 1, CD 1
S.B. No. 142, SD 1, HD 1, CD 1
S.B. No. 146, SD 1, HD 2, CD 1
S.B. No. 163, SD 1, HD 1, CD 1
S.B. No. 172, SD 2, HD 2, CD 1
S.B. No. 181, SD 1, HD 1, CD 1
S.B. No. 217, SD 2, HD 2, CD 1
S.B. No. 229, SD 1, HD 2, CD 1
S.B. No. 281, SD 2, HD 2, CD 1
S.B. No. 283, SD 1, HD 1, CD 1
S.B. No. 285, SD 2, HD 2, CD 1
S.B. No. 298, SD 3, HD 3, CD 1
S.B. No. 570, SD 2, HD 1, CD 1
S.B. No. 631, SD 1, HD 2, CD 1
S.B. No. 651, SD 2, HD 2, CD 1
S.B. No. 742, SD 2, HD 1, CD 1
S.B. No. 754, SD 1, HD 1, CD 1
S.B. No. 758, SD 1, HD 2, CD 1
S.B. No. 806, SD 1, HD 2, CD 1
S.B. No. 903, SD 1, HD 1, CD 1
S.B. No. 975, SD 1, HD 2, CD 1
S.B. No. 986, SD 2, HD 3, CD 1
S.B. No. 1025, SD 1, HD 1, CD 1
S.B. No. 1067, SD 1, HD 2, CD 1
S.B. No. 1068, SD 1, HD 1, CD 1
S.B. No. 1073, SD 2, HD 2, CD 1
S.B. No. 1089, SD 1, HD 2, CD 1
S.B. No. 1154, SD 2, HD 1, CD 1
S.B. No. 1174, SD 2, HD 1, CD 1
S.B. No. 1186, SD 2, HD 1, CD 1
S.B. No. 1213, SD 1, HD 1, CD 1
S.B. No. 1221, SD 2, HD 1, CD 1
S.B. No. 1244, SD 2, HD 1, CD 1
S.B. No. 1270, SD 2, HD 1, CD 1
S.B. No. 1274, SD 2, HD 3, CD 1
S.B. No. 1277, SD 2, HD 2, CD 1
S.B. No. 1278, SD 1, HD 2, CD 1
S.B. No. 1282, SD 1, HD 1, CD 1
S.B. No. 1284, SD 2, HD 1, CD 1
S.B. No. 1290, SD 1, HD 2, CD 1
S.B. No. 1328, SD 1, HD 2, CD 1
S.B. No. 1329, SD 1, HD 2, CD 1
S.B. No. 1331, SD 2, HD 2, CD 1
S.B. No. 1347, SD 1, HD 2, CD 1
S.B. No. 1348, SD 2, HD 3, CD 1
S.B. No. 1383, SD 2, HD 2, CD 1
S.B. No. 1394, SD 1, HD 1, CD 1
S.B. No. 1482, SD 1, HD 1, CD 1
S.B. No. 1483, SD 1, HD 1, CD 1
S.B. No. 1485, SD 1, HD 1, CD 1
S.B. No. 1493, SD 1, HD 3, CD 1
S.B. No. 1503, SD 2, HD 1, CD 1
S.B. No. 1511, SD 1, HD 2, CD 1
S.B. No. 1519, SD 3, HD 2, CD 1
S.B. No. 1520, SD 2, HD 3, CD 1
S.B. No. 1530, SD 1, HD 2, CD 1
S.B. No. 1555, SD 2, HD 2, CD 1

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