

**HAWAII STATE  
HOUSE OF REPRESENTATIVES**

**SPECIAL SESSION OF 2017**

***MINI JOURNAL***

***FLOOR REMARKS TO BE INSERTED***

**FIFTH DAY**

**SEPTEMBER 1, 2017**

**OFFICE OF THE CHIEF CLERK**

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## FIFTH DAY

Friday, September 1, 2017

The House of Representatives of the Twenty-Ninth Legislature of the State of Hawaii, Special Session of 2017, convened at 10:09 o'clock a.m., with Speaker Saiki presiding.

The invocation was delivered by Ms. Jessica Klein and Ms. Sheila Pacariem, after which the Roll was called showing all Members present with the exception of Representatives Har, Hashem, Matsumoto, Nishimoto and Oshiro, who were excused.

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

## INTRODUCTIONS

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

REMARKS DELIVERED: Rep. DeCoite  
Rep. Cullen  
Rep. Lowen  
Rep. Choy  
Rep. Ward  
Rep. LoPresti

At 10:18 o'clock a.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 11:14 o'clock a.m.

## ORDER OF THE DAY

## SUSPENSION OF RULES

On motion by Representative Morikawa, seconded by Representative Ward and carried, the rules were suspended for the purpose of considering certain Senate Bills for Third Reading by consent calendar. (Representatives Har, Hashem, Matsumoto, Nakashima, Nishimoto, Quinlan and Say were excused.)

## THIRD READING

## S.B. No. 2:

On motion by Representative Evans, seconded by Representative Morikawa and carried, S.B. No. 2, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYMENT COST ITEMS," passed Third Reading by a vote of 44 ayes, with Representatives Har, Hashem, Matsumoto, Nakashima, Nishimoto, Quinlan and Say being excused.

## S.B. No. 3:

On motion by Representative Evans, seconded by Representative Morikawa and carried, S.B. No. 3, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYMENT," passed Third Reading by a vote of 44 ayes, with Representatives Har, Hashem, Matsumoto, Nakashima, Nishimoto, Quinlan and Say being excused.

At 11:15 o'clock a.m., the Chair noted that the following bills passed Third Reading:

S.B. No. 2  
S.B. No. 3

## LATE INTRODUCTIONS

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

REMARKS DELIVERED: Rep. Tokioka

## THIRD READING

## S.B. No. 4:

Representative Evans moved that S.B. No. 4 pass Third Reading, seconded by Representative Morikawa.

At this time, Representative Tupola offered Floor Amendment No. 1, amending S.B. No. 4 as follows:

SECTION 1. Senate Bill No. 4 is amended as follows:

1. In section 1 of the bill, by:

- A. Adding a paragraph stating that a purpose of the Act is to protect the public interest, ensure accountability, and help to restore public confidence by conducting an independent forensic audit; and
- B. Adding a paragraph stating that a purpose of the Act is to protect public finances by conducting a new alternatives analysis that reconsiders underlying assumptions and examines the costs and benefits of all feasible alternative options;

2. In section 11 of the bill, by:

- A. Providing for a thorough forensic examination and evaluation for the presence of any form of fraud, waste, or abuse, including but not limited to embezzlement, theft, pay-to-pay or insider arrangements, fraudulent payments, duplicate payments, or conflicts of interest;
- B. Providing for a review and evaluation of all financial statements made by the Honolulu authority for rapid transportation for accuracy and lawfulness;
- C. Providing for a complete assessment of the finances and expenditures of the Honolulu authority for rapid transportation for public release;
- D. Providing for a new alternatives analysis that reconsiders underlying assumptions and examines the costs and benefits of all feasible alternative options relating to the Honolulu rail transit project that remain within the limited budget of the Honolulu authority for rapid transportation;
- E. Directing the state auditor to transmit any evidence or facts pointing to unauthorized, illegal, irregular, improper, or unsafe handling or expenditure of public funds or other conduct to the legislature and other authorities; and
- F. Requiring that any individuals or firms contracted by the state auditor to provide auditing services must be independent and free of conflicts of interest, including any direct or indirect financial interest in the Honolulu rail transit project;

3. In section 12 of the bill, by directing the state auditor to determine whether the Honolulu authority for rapid transportation has committed fraud, waste, or abuse in its handling or expenditure of public funds or other conduct as part of an annual review; and

4. By making conforming technical amendments and renumbering sections of the bill accordingly.

Representative Tupola moved that Floor Amendment No. 1 be adopted, seconded by Representative Ward.

REMARKS DELIVERED: Rep. Tupola  
Rep. Thielen

Rep. Morikawa  
Speaker Saiki  
Rep. Thielen  
Rep. Luke  
Rep. Ward  
Rep. McKelvey  
Rep. Ward  
Rep. Thielen

funds raised from private investment or public private partnerships for expenditures for the mass transit project;

2. By making conforming technical amendments and renumbering sections of the bill accordingly.

Representative Tupola moved that Floor Amendment No. 3 be adopted, seconded by Representative Ward.

**TO BE INSERTED:** Rep. Thielen  
(Submit by Thursday, September 7)

REMARKS DELIVERED: Rep. Ward  
Rep. Tupola  
Rep. Luke  
Rep. Yamane  
Rep. Say  
Rep. Ward  
Rep. Tupola

The motion that Floor Amendment No. 1, amending S.B. No. 4, entitled: "A BILL FOR AN ACT RELATING TO GOVERNMENT," be adopted, was put to vote by the Chair and upon a voice vote, failed to carry, with Representatives Har, Hashem, Matsumoto and Nishimoto being excused.

The motion that Floor Amendment No. 3, amending S.B. No. 4, entitled: "A BILL FOR AN ACT RELATING TO GOVERNMENT," be adopted, was put to vote by the Chair and upon a voice vote, failed to carry, with Representatives Har, Hashem, Matsumoto and Nishimoto being excused.

At this time, Representative Tupola offered Floor Amendment No. 2, amending S.B. No. 4 as follows:

SECTION 1. Senate Bill No. 4 is amended as follows:

1. In section 8 of the bill, by inserting two provisions intended to cap the total aggregate funding by the legislature for the Honolulu rail transit project, between 2007 and 2030, at a grand total of approximately \$7,361,000,000 (not counting federal funds):

- A. Adding a "rail cap" provision that limits the total aggregate amount of funds that may be allocated and disbursed from the mass transit special fund; and
- B. Providing that the director of finance shall deduct and retain any excess tax revenues that would otherwise be deposited or paid into the mass transit special fund, and that amounts retained shall be general fund realizations of the state.

Representative Tupola moved that Floor Amendment No. 2 be adopted, seconded by Representative Ward.

REMARKS DELIVERED: Rep. Tupola  
Rep. Ward  
Rep. Luke  
Rep. Ward  
Rep. Morikawa  
Speaker Saiki  
Rep. Ward

At this time, Representative Tupola offered Floor Amendment No. 4, amending S.B. No. 4 as follows:

SECTION 1. The purpose of this amendment is to exclude neighbor islands from the transient accommodations tax increase, in order to better assess the impact of transient accommodations taxes on counties and implement an equitable allocation of transient accommodations tax revenues to each county that aligns with the findings of the 2014 State-County Functions Working Group. The working group was mandated by the legislature to submit recommendations on the appropriate allocations of transient accommodations tax revenues between the State and counties that properly reflects the division of duties and responsibilities relating to the provisions of public services. The group unanimously recommended a fair, predictable, simple, and flexible allocation model of transient accommodations tax revenue. By exempting the neighbor island counties from the tax increase, the legislature can review and implement the measures proposed by the working group.

SECTION 2. Senate Bill No. 4 is amended as follows:

1. In section 9 of the bill, by adding a clause limiting the application of the 10.25 per cent tax rate solely to transient accommodations furnished in, or resort time share vacation units located in, a county with a population greater than five hundred thousand.

The motion that Floor Amendment No. 2, amending S.B. No. 4, entitled: "A BILL FOR AN ACT RELATING TO GOVERNMENT," be adopted, was put to vote by the Chair and upon a voice vote, failed to carry, with Representatives Har, Hashem, Matsumoto and Nishimoto being excused.

Representative Tupola moved that Floor Amendment No. 4 be adopted, seconded by Representative Ward.

REMARKS DELIVERED: Rep. Tupola  
Rep. Ward  
Rep. Takumi

At this time, Representative Tupola offered Floor Amendment No. 3, amending S.B. No. 4 as follows:

SECTION 1. Senate Bill No. 4 is amended to require that the comptroller verify that at least \$816,000,000 (10 percent of the total project cost) has been raised for the Honolulu rail project through private investment or public-private partnerships before certifying the allocation of further funds, beginning on January 1, 2026 (approximately 85% of the way through the current project timeline), as follows:

I. In section 13 of the bill, by:

- A. Adding a provision requiring the comptroller to verify that the sum of \$816,000,000 or greater has been raised from private investment or public private partnerships for expenditures for a locally preferred alternative for a mass transit project prior to issuing a certification statement for the allocation of state funds; and
- B. Adding a provision requiring the rapid transportation authority to provide the comptroller with any evidence pertaining to

At 11:54 o'clock a.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 11:58 o'clock a.m.

Rep. Ward  
Speaker Saiki  
Rep. San Buenaventura  
Rep. Ing  
Rep. Luke  
Rep. Thielen  
Rep. Quinlan  
Rep. Woodson  
Rep. Tokioka  
Rep. Kong  
Rep. Aquino  
Rep. Ward

Rep. Quinlan  
 Speaker Saiki  
 Rep. Ward  
 Rep. Luke  
 Rep. Tupola  
 Rep. Ing

**TO BE INSERTED:** Rep. Tupola  
 Rep. Ing  
 Rep. Woodson

(Submit by Thursday, September 7)

The motion that Floor Amendment No. 4, amending S.B. No. 4, entitled: "A BILL FOR AN ACT RELATING TO GOVERNMENT," be adopted, was put to vote by the Chair and upon a voice vote, failed to carry, with Representatives Har, Hashem, Matsumoto and Nishimoto being excused.

(Main Motion)

REMARKS DELIVERED: Rep. Quinlan  
 Rep. Say  
 Rep. Todd  
 Rep. McDermott  
 Rep. LoPresti  
 Rep. McDermott  
 Rep. Oshiro  
 Rep. Say  
 Rep. Oshiro  
 Rep. Takumi  
 Rep. Oshiro  
 Rep. Nakashima  
 Rep. Oshiro  
 Rep. Onishi  
 Rep. San Buenaventura  
 Rep. Tokioka  
 Speaker Saiki  
 Rep. Tokioka  
 Rep. Morikawa  
 Rep. Souki  
 Rep. Ward  
 Rep. McDermott  
 Rep. Ward

At 12:59 o'clock p.m., Representative Souki requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 1:02 o'clock p.m.

REMARKS DELIVERED: Rep. Souki  
 Rep. Lowen  
 Rep. DeCoite  
 Rep. Lee  
 Rep. Kobayashi  
 Rep. LoPresti  
 Rep. Morikawa  
 Rep. LoPresti  
 Rep. Johanson  
 Rep. Creagan  
 Rep. Nakamura  
 Rep. Kong  
 Rep. Holt  
 Rep. Woodson  
 Rep. Ohno  
 Rep. Woodson  
 Rep. Luke  
 Rep. Tupola  
 Rep. Nakashima  
 Rep. San Buenaventura  
 Rep. Ito  
 Rep. Kong  
 Rep. Luke

Rep. Cullen  
 Rep. Aquino  
 Rep. Yamashita

**TO BE INSERTED:** Rep. Quinlan  
 Rep. Say  
 Rep. Todd  
 Rep. McDermott  
 Rep. Tokioka  
 Rep. Ward  
 Rep. Lee  
 Rep. LoPresti  
 Rep. Johanson  
 Rep. Creagan  
 Rep. Holt  
 Rep. Nakashima  
 Rep. Ito  
 Rep. Kong  
 Rep. Luke  
 Rep. Cullen  
 Rep. Aquino  
 Rep. Yamashita

(Submit by Thursday, September 7)

The motion was put to vote by the Chair and carried, and S.B. No. 4, entitled: "A BILL FOR AN ACT RELATING TO GOVERNMENT," passed Third Reading by a vote of 31 ayes to 15 noes, with Representatives Kobayashi, Onishi, Oshiro, San Buenaventura and Woodson voting aye with reservations, with Representatives Brower, Cachola, Creagan, DeCoite, Evans, Kong, Lowen, McKelvey, Quinlan, Say, Thielen, Todd, Tokioka, Tupola and Ward voting no, and with Representatives Choy, Har, Hashem, Matsumoto and Nishimoto being excused.

At 1:52 o'clock p.m., the Chair noted that the following bill passed Third Reading:

S.B. No. 4

At 1:52 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 1:56 o'clock p.m.

## INTRODUCTION OF RESOLUTIONS

The following resolutions (H.R. No. 8 through 10) were announced by the Clerk and the following action taken:

H.R. No. 8, entitled: "HOUSE RESOLUTION AUTHORIZING THE SPEAKER OF THE HOUSE OF REPRESENTATIVES TO APPROVE THE JOURNAL OF THIS HOUSE OF ANY LEGISLATIVE DAY BEING COMPILED AS OF THE 5TH LEGISLATIVE DAY," was jointly offered by Representatives Evans and Tupola.

On motion by Representative Evans, seconded by Representative Tupola and carried, H.R. No. 8 was adopted, with Representatives Aquino, Choy, Har, Hashem, Matsumoto and Nishimoto being excused.

H.R. No. 9, entitled: "HOUSE RESOLUTION AUTHORIZING AND DIRECTING THE COMMITTEE ON THE JOURNAL TO COMPILE AND PRINT THE JOURNAL OF THE HOUSE OF REPRESENTATIVES, SPECIAL SESSION OF 2017, PURSUANT TO RULE 18 OF THE RULES OF THE HOUSE OF REPRESENTATIVES," was jointly offered by Representatives Evans and Tupola.

On motion by Representative Evans, seconded by Representative Tupola and carried, H.R. No. 9 was adopted, with Representatives Choy, Har, Hashem, Matsumoto and Nishimoto being excused.

H.R. No. 10, entitled: "HOUSE RESOLUTION INFORMING THE SENATE AND THE GOVERNOR THAT THE HOUSE OF REPRESENTATIVES IS READY TO ADJOURN SINE DIE," was jointly offered by Representatives Saiki and Belatti.

On motion by Representative Evans, seconded by Representative Tupola and carried, H.R. No. 10 was adopted, with Representatives Choy, Har, Hashem, Matsumoto and Nishimoto being excused.

#### LATE INTRODUCTIONS

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

REMARKS DELIVERED: Rep. Say  
Rep. Luke  
Rep. McDermott  
Rep. Ohno

#### ANNOUNCEMENTS

REMARKS DELIVERED: Speaker Saiki

At this time, Representative Oshiro was presented with a certificate, gavel and lei by Representatives Della Au Belatti, Dee Morikawa and Cindy Evans on behalf of the House of Representatives.

REMARKS DELIVERED: Rep. Oshiro  
Rep. Ward  
Rep. Say  
Rep. Tokioka  
Rep. Ward  
Rep. McDermott  
Speaker Saiki  
Rep. Tupola  
Speaker Saiki

TO BE INSERTED: Rep. Oshiro  
Rep. Tokioka  
Rep. Ward  
Rep. McDermott

(Submit by Thursday, September 7)

#### ADJOURNMENT

Representative Evans moved that the House of Representatives of the Twenty-Ninth Legislature of the State of Hawaii, Special Session of 2017, adjourn Sine Die, seconded by Representative Tupola.

The motion was put to vote by the Chair and carried, and at 2:23 o'clock p.m., the Speaker rapped his gavel and declared the House of Representatives of the Twenty-Ninth Legislature of the State of Hawaii, Special Session of 2017, adjourned Sine Die. (Representatives Choy, Har, Hashem, Matsumoto and Nishimoto were excused.)

#### SENATE COMMUNICATIONS

The following communication from the Senate (Sen. Com. No. 4) was received by the Clerk:

Sen. Com. No. 4, transmitting S.R. No. 3, entitled: "SENATE RESOLUTION INFORMING THE HOUSE AND GOVERNOR THAT THE SENATE IS READY TO ADJOURN SINE DIE," which was adopted by the Senate on September 1, 2017.