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MESSAGE FROM KALANI

With the conclusion of the 2011 Legislative Session, we are happy to provide you with a update detailing some of the important legislation that passed this year.

In this issue, we summarize the priorities for the Hawaii State Senate Majority, the balancing of the State Budget and legislation that passed through the Transportation and International Affairs Committee.

I would like to wish everyone an enjoyable and safe holiday weekend as we celebrate America's birthday during the 4th of July.

SENATOR J. KALANI ENGLISH

HAWAII STATE SENATE • 6TH DISTRICT
HANA • EAST & UPCOUNTRY MAUI • MOLOKA'I • LANA'I • KAHO'OLAWÉ



SUMMARY OF THE SENATE MAJORITY LEGISLATIVE PRIORITIES

The members of the Hawai'i State Senate came into this year's legislative session knowing that our State was in a deep financial crisis, facing a nearly \$1Billion deficit over the next two years. In addition, there were a number of other important issues facing us, such as the re-structuring of the Board of Education, resolving the issue of civil unions and helping the various departments of the new Executive Administration to get up and running. After several retreats that focused on identifying the themes and initiatives that would most benefit our State, we came up with a plan that we felt would best improve the quality of life for Hawai'i's people, especially those who are most in need.

At its core, our plan was to strengthen our economy and create more jobs so that we could move forward into the future with confidence. This meant many things, including streamlining the permitting process conducted by County and State agencies so that new businesses could emerge; investing in our infrastructure through Capitol Improvement Projects and Modernization projects; assuring there was an ability for local agriculture to better prosper and expand going forward; and creating more jobs within the construction industry.

Other areas of concern and focus included:

- Moving forward on making Hawai'i a sustainable model for the country and the world in the area of energy efficiency;
- Ensuring that our children receive the highest possible educational opportunities, from the preschool level up through the University system and make certain there is more accountability from leadership in the educational arena;
- Making sure that a safety net remains in place for our most vulnerable citizens, whether they be children, Kupuna or the sick, by providing clean air, water, food, shelter and health care; and
- Working with stakeholders regarding a Ceded Land Settlement to fulfill our responsibility to the Native Hawaiian community.

It was definitely a challenge to achieve all of these goals over the past five months, especially since the budget deficit ballooned to more than \$1.3 Billion. However, when all is said and done, we have successfully preserved essential public services and met our goal to move Hawai'i forward into the future.

Education

Senate Bill 8, which was signed into law (Act 5) by the governor on March 14, 2011, gives the governor the authority to appoint nine Board of Education members, which would consist of: one member from the county of Hawai'i, one member from the county of Maui, one member from the county of Kauai, three members from the city and county of Honolulu, and three at-large members; provided that the governor select an at-large member as the chairperson. Charter Schools continue to become an important component in our education system in Hawai'i. Senate Bill 1174 seeks to improve Charter Schools' governance, transparency, and accountability in order to meet their educational goals.

Students who are eligible for special education and related services need to be ensured that they receive quality education. This is achieved by requiring private special education providers who receive state funding to comply with federal and state laws, rules, and regulations. To ensure special needs students are provided with high quality education, the Department of Education (DOE) is authorized to monitor and access those schools who receive our special needs students. (SB 1503 & SB 1284)

In order to ensure students are in a safe learning environment, House Bill 688 creates a safe and civil learning environment for all public school students. The bill requires the Board of Education (BOE) to monitor the DOE for compliance with administrative rules or statutes governing bullying, cyberbullying and harassment.

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SUMMARY OF THE SENATE MAJORITY LEGISLATIVE PRIORITIES CONTINUED

While the State remains committed to increasing instructional time for public school students, House Bill 945 puts in place a partial delay of Act 167 (SLH 2010) in an effort to give the DOE more time to comply with the Act. The measure requires the DOE to reexamine what constitutes as instructional time especially with secondary schools. Health and Human Services Under Senate Bill 285, health care would be more accessible to Quest and Medicaid members who live in rural areas through the Telehealth pilot program. Vital services would be provided to members with chronic conditions through a mobile health van operated by a qualified provider.

The use of pseudoephedrine in the illegal manufacturing and sale of methamphetamine is growing. Senate Bill 40 would establish an electronic tracking system for the sale of products containing pseudoephedrine or ephedrine base to further control access to the substance to hinder its illegal use. Hawai'i's Advanced Practice Registered Nurses (APRN) are recognized to be educationally prepared to assume responsibility for the assessment, diagnosis, and management of patient problems. House Bill 484 would allow APRNs to practice within the full scope of their authorized practice, including practicing as a primary care provider. This measure authorizes APRNs with prescriptive authority to request, receive, and dispense samples of over-the-counter and noncontrolled legend drugs. This would increase access to health care, especially in the rural areas.

The federal Patient Protection and Affordable Care Act requires each state to establish a health insurance exchange to regulate health insurance plans and distribute information to consumers. The Hawai'i Health Connector would be established under Senate Bill 1348 to comply with the federal law. It would facilitate the purchase and sale of qualified health plans with uninsured residents.

Consumer Protection

Many times, the consumer is bound to a contract they may not want and is burdened with canceling the contract after learning of an automatic renewal clause that was not clear before the purchase of a product or service. To address this issue, House Bill 663 would require clear and conspicuous disclosure of automatic renewal clauses and cancellation procedures of all consumer contracts.

As a result of the economic crisis in our

nation and our State, many families and individuals are facing foreclosure on their homes. Senate Bill 651 reforms the foreclosure process by addressing abuse in the system. It also provides relief to homeowners who have fallen into distress. This bill presents a thorough consideration of relevant issues distressed homeowners are facing.

Judiciary



To further ensure the safety of children, House Bill 44 makes it a misdemeanor offense for the solicitation of prostitution within 750 feet near schools or public parks.

In recent years, there have been a number of news stories about people working on farms in Hawai'i who were brought to this country illegally. In response to this wrongful action, the legislature this year took a proactive approach and passed House Bill 141 which created specific rules to protect and aid victims of human trafficking.

After much debate over several years, a civil unions bill was passed. Senate Bill 232, that establishes civil unions in Hawai'i, thereby providing the partners of such unions with the rights, benefits and responsibilities that bind them into a legally recognized relationship. The governor signed the bill into law (Act 1) on February 23, 2011. Senate Bill 217, sex abuse victims would be able expand their ability to seek civil claims and compensation for damages as a result of their sexual abuse. It would also revive the statute of limitations for two years on certain actions that had previously lapsed.

Environment

Several years ago the State created a Starlight Reserve Committee whose task it is to preserve the quality of the night sky by eliminating irresponsible or excessive artificial lighting that impacts the night sky. This year Senate Bill 81 will extend the termination date of the State committee by appropriating additional funding that will push forward a starlight reserve strategy for another two years. Hawai'i has one of the

most magnificent views of the stars at night because of our location in the middle of the Pacific Ocean. The night sky has scientific value for astronomers and is important for endangered species in Hawai'i, including birds and sea turtles. To protect and preserve the night sky, the Senate passed Senate Bill 1493 this year to limit the glow of unnecessary manmade light and helps to direct other lights downwards toward the ground so as to have less impact on the night sky.

In reviewing applications to offer new services, Senate Bill 98 requires public hearings before the Public Utilities Commission (PUC) approves water carriers a Certificate of Public Convenience and Necessity (CPCN). This measure also clarifies the existing requirement for future issuance of CPCN.

In support of the State's overall clean energy objectives, the PUC is directed to consider implementing an on-bill financing program for residential electric utility customers to finance purchases of energy efficient or renewable energy devices under House Bill 1520. This is one way to promote adoption of energy efficiency and renewable energy technology.

The installation of photovoltaic systems on existing homes can be hindered by design features. Senate Bill 181 establishes a working group attached to the Department of Accounting and General Services to study the feasibility of requiring new single-family residential construction to provide accommodations for the addition of photovoltaic systems. This would encourage widespread adoption of photovoltaic systems in the future.

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Our Maui Senate Delegation: Senators English, Baker and Senate President Shan Tsutsui.

Hawaiian Affairs

The legislature moved forward an issue that has languished for years when they approved Senate Bill 1520, which recognizes the Native Hawaiian people as the only indigenous, aboriginal maoli people of Hawai'i.

This legislation seeks to serve as a settlement of any issues or claims impacting Native Hawaiian people under State, Federal or international law. It also authorizes the appointment of a Native Hawaiian Roll Commission, which will be funded and tasked to prepare and maintain a list of qualified Native Hawaiians.

In other Hawaiian Affairs actions, the Senate also approved the establishment of a nine-member task force to examine why so many Native Hawaiians are incarcerated in Hawai'i prisons; and the Senate approved an increase in the limits of the State's liability from \$50,000 to \$100,000 for funds borrowed by the Department of Hawaiian Home Lands or loaned to Home Lands beneficiaries.

Agriculture Hawai'i's important ecosystems can be destroyed by the introduction of invasive species. Such destruction threatens our natural environment, harms our economy and our agricultural industry. House Bill 1568, would help protect Hawai'i's natural environment from the threat of invasive species through the construction of bio-security and inspection facilities at Hawai'i's airports and harbors.

Food contamination poses a serious threat to public health. The program established by House Bill 667, provides training, certification, support and assistance to the agricultural industry within the Department of Agriculture. House Bill 1230 would exempt the construction of low-risk nonresidential temporary or permanent structures used for agricultural or aquacultural operations from county building permit requirements under certain conditions. Low-risk buildings such as storage structures and greenhouses for growing plants are much needed by farmers and ranchers.

The unused and improved farm and agriculture lands are often compromised by individuals encroaching or residing on such property. House Bill 227 addresses the issue and makes it a crime for trespassers to enter unimproved land or unused agricultural lands. The owner of the agricultural land would also not be held liable for any injury, death, loss or damage suffered by trespassers.

Hawai'i, like all the other states, is in the midst of an economic recession. Thus the biggest task facing the Senate this year was coming up with a balanced budget that would enable essential government services to continue to operate, while minimizing the economic pain on taxpayers and residents. Under the direction of the Governor, all state agencies were ordered to cut their budgets by ten percent for the coming year, but it was the legislature's task to fund all State activities. After hundreds of hours of testimony in dozens of hearings, and many more hours of deliberation with their counterparts in the House of Representatives, the Senate was able to pass out a workable budget. A combination of bills include a variety of revenue generating components. These include a temporary suspension of some tax exemptions for nearly two dozen businesses, the repeal of a state income tax exemptions and a cap on itemized deductions for higher income taxpayers, and a delay in implementing an increase in personal exemptions and standard deductions for all taxpayers.

The Senate also signed off on a bill that will adjust rental car surcharges and another bill that would move some of the hotel room tax income from the counties to the State. All of these actions should generate hundreds of millions of dollars for the State. However, while there was some support from the House of Representatives, the Senate did not pass an overall increase in the State's General Excise Tax, did not pass legislation that would tax pensions and did not agree to increase taxes on soda or liquor.

The salaries of all legislators, members of the State judiciary and appointed State Executives are reviewed and approved from time to time by the State Salary Commission. Four years ago the Commission recommended annual pay raises for such public executives that would have amounted to about \$2,000 additional per year until 2013. However, in 2009 and 2010 the legislature, recognizing the difficult economic situation facing many people in Hawai'i, decided to not take the pay increase and this year, with House Bill 575, they again extended the pay reduction so that in 2011 they will actually be getting paid less than the amount approved by the Salary Commission.

Economy and Job Creation

With tourism operating as Hawai'i's main source of jobs and revenues, the State Senate took action this year with Senate Bill 1186 to correct a gap in the amount of money received from transient accommodation facilities. A new law was passed which will impose a minimum daily tax on transient accommodations and which will also increase the tax rate on resort time share vacation units. This increase will level the playing field between all facilities which house tourism visitors to the islands. Senate Bill 1530 allows the Board of Land and Natural Resources to extend hotel, resort, commercial and industrial leases to lessees who commit to making substantial improvements on the property. This should create new jobs and maintain or increase revenue coming into Hawai'i.



Increased Government Efficiency

Under Senate Bill 2, the State will establish a comprehensive system for inventorying and maintaining information about all public land trust property as described in the Admissions Act and the Hawai'i State Constitution. The Department of Land and Natural Resources will then be better able to administer and manage the title and disposition of those lands, to include making amendments to the trust status of such lands if necessary.

The Senate also brought forward legislation this year, Senate Bill 1555, which will create a Public Land Development Corporation tasked with making optimal use of public property for the economic and social benefit of the public. Under this legislation, public lands that are suitable for development will be identified; a marketing analysis will be conducted to determine the best use of those lands; and the State may enter into public-private agreements to finance, improve or enhance the selected development opportunities.

**STATE SENATOR
J. KALANI ENGLISH**
HAWAII STATE SENATE
6TH DISTRICT

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Transportation and In-
ternational Affairs**

**Vice Chair, Senate Committee
on Energy and Environment**

**Member, Senate Committee on
Hawaiian Affairs**

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**Hawai'i State Legislature
Bill Status and Documents**

<http://www.capitol.hawaii.gov/session2011/>

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**SUMMARY OF ITEMS THAT PASSED IN THE TRANSPORTATION
AND INTERNATIONAL AFFAIRS COMMITTEE**

HB 424, SD1	Extends the sunset date for EIS exceptions from 7/1/ 2011 to 7/1/2013.
HB 775	Transfers all funds in the photo enforcement revolving fund to the general fund.
HB 1039, HD1, SD2	Provides rent relief to airport concessionaires that do not have a self-adjusting rent formula. Increases the rental motor vehicle surcharge tax to \$7.50 per day until 6/30/2012.
HB 1093, HD1, SD2	Amends the commercial driver licensing statutes pertaining to the limit of alcohol concentration for commercial motor vehicle drivers. Amends the licensing process and medical requirements for commercial driver's licensing.
HB 1094, HD1, SD2	Amends the licensing process and medical requirements for commercial driver's licensing.
HB 1568, HD2, SD2	Requires the Department of Transportation (DOT) to coordinate with the Department of Agriculture to facilitate inspections of agriculture and other commodities at airports and requires the DOT to provide space at commercial harbors for biosecurity and inspection facilities.
SB 35	Amends motor vehicle industry licensing act section to reflect updated statutory cross-references.
SB 98, SD2, HD1	Requires public hearings subject to specified notice requirements before Public Utilities Commission (PUC) approval of a water carrier's certificate of public convenience and necessity; specifies required findings; requires posting of documents on PUC's website.
SB 146, SD1, HD2	Requires the energy resources coordinator to conduct a study and issue a report on the conditions and policies necessary to expand Hawai'i's biofuel production.
SB 698, SD2, HD1	Clarifies that state agencies may purchase roadway materials with a minimum recycled glass content.
SB 823, SD1, HD1	Provides procurement authority to semi-autonomous county public transit agencies allowing them to function as semi-autonomous agencies.
SB 1325, SD1, HD1	Defines "aftermarket motorcycle frame" and allows the county director of finance to assign a vehicle identification number to a motorcycle with an aftermarket frame.
SB 1327, SD2, HD1	Authorizes the DOT to collect increases in passenger facility charges without amending the administrative rules.
SB 1328, SD1, HD2	Increases the state motor vehicle registration fee.
SB 1329, SD1, HD2	Increases the state motor vehicle weight tax.
HCR 43	Requesting that the Legislature support the education of Hawai'i's Drivers regarding their responsibilities to blind pedestrian.