

REPORT OF THE COMMITTEE ON INTERGOVERNMENTAL AFFAIRS AND HUMAN SERVICES

Voting Members

Kymerly Marcos Pine, Chair; Breene Harimoto, Vice-Chair,
Carol Fukunaga, Ann H. Kobayashi, Joey Manahan

Committee Meeting Held
October 31, 2013

Honorable Ernest Y. Martin
Chair, City Council
City and County of Honolulu

Mr. Chair:

Your Committee on Intergovernmental Affairs and Human Services, which considered Resolution 13-238 entitled:

"RESOLUTION RELATING TO THE 2014 HAWAII STATE ASSOCIATION OF
COUNTIES LEGISLATIVE PACKAGE,"

introduced on October 1, 2013, reports as follows:

The purpose of the Resolution is to approve the 2014 Hawaii State Association of Counties (HSAC) legislative package proposals.

Your Committee received testimony in support of the Resolution from the Hawaii County Council, Hawaii Construction Alliance and the Hilo Medical Center.

Your Committee amended the Resolution to a CD1 version which makes the following changes:

- A. Amends the 1st BE IT RESOLVED paragraph by deleting the 9th item (a bill requiring all motorcycle and motor scooter drivers to wear a helmet) and the 10th item (a bill requiring all moped riders to wear a helmet) from the list of items proposed for inclusion in the 2014 HSAC legislative package and redesignates the remaining items accordingly.

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ADOPTED ON NOV 13 2013

COMMITTEE REPORT NO. 350

**REPORT OF THE COMMITTEE ON
INTERGOVERNMENTAL AFFAIRS AND HUMAN SERVICES**

Voting Members

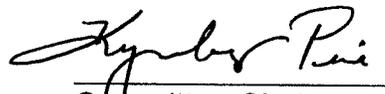
Kymerly Marcos Pine, Chair; Breene Harimoto, Vice-Chair,
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- B. Removes the corresponding exhibits attached to the Resolution.
- C. Makes technical and nonsubstantive changes.

Your Committee on Intergovernmental Affairs and Human Services is in accord with the intent and purpose of Resolution 13-238, as amended herein, and recommends its adoption in the form attached hereto as Resolution 13-238, CD1. (Ayes: Pine, Fukunaga, Kobayashi - 3; Noes: None; Excused: Harimoto, Manahan - 2.)

Respectfully submitted,



Committee Chair

2013-11-03 10:13:00

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ADOPTED ON NOV 13 2013

COMMITTEE REPORT NO. 350



RESOLUTION

RELATING TO THE 2014 HAWAII STATE ASSOCIATION OF COUNTIES
LEGISLATIVE PACKAGE.

WHEREAS, the Hawaii State Association of Counties ("HSAC") is composed of the members of all four county councils of the state of Hawaii; and

WHEREAS, the legislative package proposed by HSAC represents the state legislative priorities of the counties; and

WHEREAS, the HSAC Executive Committee has proposed state legislation listed in this resolution to be part of the Hawaii State Association of Counties' 2014 legislative package; and

WHEREAS, approval by all four councils is required to include proposals in the 2014 HSAC legislative package; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that it approves for inclusion in the 2014 Hawaii State Association of Counties legislative package as follows:

- A proposed bill permitting county councilmembers to jointly attend and speak at a community, educational or informational meeting or presentation, provided that the meeting or presentation is open to the public, Exhibit A.
- A proposed bill authorizing the county liquor commissions to conduct and fund state and county alcohol abuse treatment and prevention activities; and allows liquor license fees to be used to fund these activities, attached as Exhibit B.
- A proposed bill enables government agencies to maintain roads whose ownership and jurisdiction are in dispute between the state and the county without incurring liability or assuming ownership or jurisdiction over those roads, attached as Exhibit C.
- A proposed bill providing the counties with permanent liability protection for natural conditions on or near public beach parks, attached as Exhibit D.

ATTACHMENT TO CR-350



RESOLUTION

- A proposed resolution increases the counties' allocation of transient accommodation tax from \$93 million to \$186 million, attached as Exhibit E.
- A proposed bill appropriating \$38 million general fund revenues to construct a permanent facility for the University of Hawaii at Hilo Daniel K. Inouye College of Pharmacy, attached as Exhibit F.
- A proposed bill appropriating \$2.8 million general fund revenues for the interdisciplinary Hawaii Health Systems Corporation Primary Care Training Program at Hilo Medical Center, attached as Exhibit G.
- A proposed bill requiring both state legislative chambers to implement rules enabling live oral testimony to be received from the neighbor islands through audio or audiovisual technology; and appropriates general fund monies to establish audio or audiovisual systems throughout the state, attached as Exhibit H.
- A proposed resolution urging the U.S. Department of State, the U.S. Department of Homeland Security and the U.S. Attorney General to ease visa restrictions for the People's Republic of China, attached as Exhibit I.
- A proposed bill providing the counties with representation on the Hawaii Employer-Union Health Benefits Trust Fund Board, attached as Exhibit J.
- A proposed bill providing the counties with representation on the Employees' Retirement System Board of Trustees, attached as Exhibit K.
- A proposed bill reducing the percentage, from ten to two percent, which is automatically deducted from the gross proceeds of a county's surcharge on state tax and earmarked to reimburse the state for costs associated with handling the assessments, collection and disposition of the county surcharge, attached as Exhibit L.

and



RESOLUTION

BE IT FINALLY RESOLVED that a copy of this Resolution be transmitted to the President of the Hawaii State Association of Counties.

INTRODUCED BY:

Ernest Martin _____

DATE OF INTRODUCTION:

October 1, 2013
Honolulu, Hawaii _____

_____ Councilmembers

JUSTIFICATION SHEET

- PROPOSER:** Hawaii State Association of Counties
- TITLE:** A Bill For An Act Relating to Public Agency Meetings and Records
- PURPOSE:** The purpose of the proposed bill is to permit members of a county council to jointly attend and speak at a community, educational, or informational meeting or presentation, provided the meeting or presentation is open to the public.
- MEANS:** Amends Section 92-2.5, Hawaii Revised Statutes.
- JUSTIFICATION:** Council members are impeded from attending community and educational meetings when it is possible that such attendance will result in alleged Sunshine Law violations or create other burdens. Community and educational meetings provide critically important information on matters that may be addressed by policy makers. If enacted, this bill will permit council members to better serve their constituents in a well-informed, transparent, and responsive manner without fear of violating the Sunshine Law.

A BILL FOR AN ACT

RELATING TO PUBLIC AGENCY MEETINGS AND RECORDS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 92-2.5, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§92-2.5 Permitted interactions of members. (a) Two
4 members of a board may discuss between themselves matters
5 relating to official board business to enable them to perform
6 their duties faithfully, as long as no commitment to vote is
7 made or sought and the two members do not constitute a quorum of
8 their board.

9 (b) Two or more members of a board, but less than the
10 number of members which would constitute a quorum for the board,
11 may be assigned to:

12 (1) Investigate a matter relating to the official business
13 of their board; provided that:

14 (A) The scope of the investigation and the scope of
15 each member's authority are defined at a meeting of the board;

16 (B) All resulting findings and recommendations are
17 presented to the board at a meeting of the board; and

18 (C) Deliberation and decisionmaking on the matter
19 investigated, if any, occurs only at a duly noticed meeting of
20 the board held subsequent to the meeting at which the findings
21 and recommendations of the investigation were presented to the
22 board; or

23 (2) Present, discuss, or negotiate any position which the
24 board has adopted at a meeting of the board; provided that the
25 assignment is made and the scope of each member's authority is
26 defined at a meeting of the board prior to the presentation,
27 discussion, or negotiation.

1 (c) Discussions between two or more members of a board,
2 but less than the number of members which would constitute a
3 quorum for the board, concerning the selection of the board's
4 officers may be conducted in private without limitation or
5 subsequent reporting.

6 (d) Board members present at a meeting that must be
7 canceled for lack of quorum or terminated pursuant to section
8 92-3.5(c) may nonetheless receive testimony and presentations on
9 items on the agenda and question the testifiers or presenters;
10 provided that:

11 (1) Deliberation or decisionmaking on any item, for which
12 testimony or presentations are received, occurs only at a duly
13 noticed meeting of the board held subsequent to the meeting at
14 which the testimony and presentations were received;

15 (2) The members present shall create a record of the oral
16 testimony or presentations in the same manner as would be
17 required by section 92-9 for testimony or presentations heard
18 during a meeting of the board; and

19 (3) Before its deliberation or decisionmaking at a
20 subsequent meeting, the board shall:

21 (A) Provide copies of the testimony and presentations
22 received at the canceled meeting to all members of the board;
23 and

24 (B) Receive a report by the members who were present
25 at the canceled or terminated meeting about the testimony and
26 presentations received.

27 (e) Two or more members of a board, but less than the
28 number of members which would constitute a quorum for the board,
29 may attend an informational meeting or presentation on matters
30 relating to official board business, including a meeting of
31 another entity, legislative hearing, convention, seminar, or
32 community meeting; provided that the meeting or presentation is
33 not specifically and exclusively organized for or directed
34 toward members of the board. The board members in attendance
35 may participate in discussions, including discussions among
36 themselves; provided that the discussions occur during and as
37 part of the informational meeting or presentation; and provided

JUSTIFICATION SHEET

PROPOSER: Hawaii State Association of Counties

TITLE: H.B. 230, A Bill For An Act Relating to Intoxicating Liquor

PURPOSE: The purpose of the proposed bill is to authorize the county liquor commissions to provide funding for alcohol abuse treatment and prevention with revenues collected through fines against licensees and license fees, without the current 10 per cent limitation.

MEANS: Amends Section 281-17, Hawaii Revised Statutes.

JUSTIFICATION: If enacted, H.B. 230 would provide the counties with a resource to address alcohol abuse through revenues generated by the very industry from which the problem stems.

A BILL FOR AN ACT

RELATING TO INTOXICATING LIQUOR.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. Section 281-17, Hawaii Revised Statutes, is amended to read as follows:

"§281-17 **Jurisdiction and powers.** (a) The liquor commission, within its own county, shall have the sole jurisdiction, power, authority, and discretion, subject only to this chapter:

- (1) To grant, refuse, suspend, and revoke any licenses for the manufacture, importation, and sale of liquors;
- (2) To take appropriate action against a person who, directly or indirectly, manufactures, sells, or purchases any liquor without being authorized pursuant to this chapter; provided that in counties which have established by charter a liquor control adjudication board, the board shall have the jurisdiction, power, authority, and discretion to hear and determine administrative complaints of the director regarding violations of the liquor laws of the State or of the rules of the liquor commission, and impose penalties for violations thereof as may be provided by law;
- (3) To control, supervise, and regulate the manufacture, importation, and sale of liquors by investigation, enforcement, alcohol abuse treatment, prevention, and

education; provided that any alcohol abuse treatment, prevention, or
educational program shall be ~~[limited to the commission
staff, commissioners, liquor control adjudication board
members, licensees and their employees and shall be]~~
financed through the money collected from the assessment of
fines against licensees and license fees; ~~[provided that
fine moneys, not to exceed ten per cent a year of fines
accumulated, may be used to fund public liquor related
educational or enforcement programs,]~~

- (4) From time to time to make, amend, and repeal such rules, not inconsistent with this chapter, as in the judgment of the commission seem appropriate for carrying out this chapter and for the efficient administration thereof, and the proper conduct of the business of all licensees, including every matter or thing required to be done or which may be done with the approval or consent or by order or under the direction or supervision of or as prescribed by the commission; which rules, when adopted as provided in chapter 91 shall have the force and effect of law;
- (5) Subject to chapter 76, to appoint and remove an administrator, who may also be appointed an investigator and who shall be responsible for the operations and activities of the staff. The administrator may hire and remove hearing officers, investigators, and clerical or other assistants as its business may from time to time require, to prescribe their duties, and fix their compensation; to engage the services of experts and persons engaged in the practice of a profession, if deemed expedient. Every investigator, within

the scope of the investigator's duties, shall have the powers of a police officer;

- (6) To limit the number of licenses of any class or kind within the county, or the number of licenses of any class or kind to do business in any given locality, when in the judgment of the commission such limitations are in the public interest;
- (7) To prescribe the nature of the proof to be furnished, the notices to be given, and the conditions to be met or observed in case of the issuance of a duplicate license in place of one alleged to have been lost or destroyed, including a requirement of any indemnity deemed appropriate to the case;
- (8) To fix the hours between which licensed premises of any class or classes may regularly be open for the transaction of business, which shall be uniform throughout the county as to each class respectively;
- (9) To prescribe all forms to be used for the purposes of this chapter not otherwise provided for in this chapter, and the character and manner of keeping of books, records, and accounts to be kept by licensees in any matter pertaining to their business;
- (10) To investigate violations of this chapter, chapter 244D and, notwithstanding any law to the contrary, violations of the applicable department of health's allowable noise levels, through its investigators or otherwise, to include covert operations, and to report violations to the prosecuting officer for prosecution and, where appropriate, the director

of taxation to hear and determine complaints against any licensee;

provided that a liquor commission in a county with a population of seven hundred thousand or greater may establish a pilot program that employs both a dBA and a dBC sound level measurement system for the purpose of community noise control; provided further that the dBC sound level measurements shall be in accordance with the following maximum permissible sound levels in dBC:

- (A) Zoning districts that include all areas equivalent to lands zoned residential, conservation, preservation, public space, open space, or similar type shall have a maximum dBC sound level of fifty-five from 7:00 a.m. to 10:00 p.m. and a maximum dBC level of forty-five from 10:00 p.m. to 7:00 a.m.;
 - (B) Zoning districts that include all areas equivalent to lands zoned for multi-family dwellings, apartment, business, commercial, hotel, resort, or similar type shall have a maximum dBC sound level of sixty from 7:00 a.m. to 10:00 p.m. and a maximum dBC level of fifty from 10:00 p.m. to 7:00 a.m.; and
 - (C) Zoning districts that include all areas equivalent to lands zoned in agriculture, country, industrial, or similar type shall have a maximum dBC sound level of seventy from 7:00 a.m. to 10:00 p.m. and a maximum dBC level of seventy from 10:00 p.m. to 7:00 a.m.;
- (11) To prescribe, by rule, the terms, conditions, and circumstances under which persons or any class of persons may be employed by holders of licenses;

(12) To prescribe, by rule, the term of any license or solicitor's and representative's permit authorized by this chapter, the annual or prorated amount, the manner of payment of fees for the licenses and permits, and the amount of filing fees; and

(13) To prescribe, by rule, the circumstances and penalty for the unauthorized manufacturing or selling of any liquor.

(b) Subject only to this chapter, the commission or board and each member thereof shall have the same powers respecting the administering of oaths, compelling the attendance of witnesses and the production of documentary evidence, and examining the witnesses as are possessed by a circuit court, except that the commission or board and each member thereof shall not be bound by the strict legal rules of evidence. In addition, the commission or board shall have the power to require the production of, and to examine any books, papers, and records of any licensee which may pertain to the licensee's business under the license or which may pertain to a matter at a hearing before the commission or board or to an investigation by the commission or board.

(c) The commission shall also have the power to provide funding to the county for public and private programs that are intended to prevent and treat alcohol abuse within that county.

(d) The exercise by the commission or board of the power, authority, and discretion vested in it pursuant to this chapter shall be final and shall not be reviewable by or appealable to any court or tribunal, except as otherwise provided in this chapter or chapter 91."

SECTION 2. Section 281-17.5, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) Any [~~such~~] liquor license fees or any moneys collected or received by any liquor commission under this chapter may only be used for alcohol abuse education, prevention, and treatment programs and costs and expenses directly relating to operational and administrative costs actually incurred by the liquor commission collecting or receiving [~~such~~] the liquor license fees or moneys. [~~Such~~] The fees or moneys shall not be used for any costs or expenses other than those directly relating to its operation and administration, except as otherwise provided by law."

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

INTRODUCED BY: _____



JUSTIFICATION SHEET

PROPOSER: Hawaii State Association of Counties

TITLE: A Bill For An Act Relating to Transportation

PURPOSE: The purpose of the proposed bill is to enable governmental agencies to maintain roads in limbo.

MEANS: Amends Chapter 662 and Section 46-15.9, Hawaii Revised Statutes.

JUSTIFICATION: Government agencies have been reluctant to assume maintenance of roads whose ownership and jurisdiction are in dispute between the State and the counties. Government agencies are afraid that maintenance work on a road in limbo could result in the assumption of ownership and liability. The reluctance to assume maintenance has resulted in deterioration of roads in limbo, jeopardizing public safety. If enacted, the bill will provide an interim period in which a government agency can perform maintenance and improvement activities without the fear of liability.

A BILL FOR AN ACT

RELATING TO TRANSPORTATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the safety of
2 residents traveling over roads whose ownership and jurisdiction
3 are in dispute between the State and the counties, commonly
4 known as "roads in limbo", is affected by the lack of any
5 maintenance to such roads. The legislature also finds that
6 government agencies are unwilling to maintain these roads
7 because the maintenance activities may be construed as assuming
8 ownership and jurisdiction over the disputed roads, and the
9 government agency may be subject to liability due to the
10 maintenance activities. The purpose of this Act is to enable
11 government agencies to maintain roads whose ownership and
12 jurisdiction are in dispute between the State and the counties
13 without incurring liability or assuming ownership or
14 jurisdiction over those roads.

15 SECTION 2. Chapter 662, Hawaii Revised Statutes, is
16 amended by adding a new section to be appropriately designated
17 and to read as follows:

1 "§662- No liability for maintenance or repair of
2 disputed roads. A state agency maintaining or repairing a road
3 whose ownership is in dispute between the State and a county
4 shall not be liable to any person for injury or damage sustained
5 when using that road and shall not be deemed to have assumed
6 ownership or jurisdiction over the disputed road."

7 SECTION 3. Section 46-15.9, Hawaii Revised Statutes, is
8 amended to read as follows:

9 "§46-15.9 Traffic regulation; repair and maintenance;
10 public right to use public streets, roads, or highways whose
11 ownership is in dispute[-]; county liability. (a) Any
12 provision of law to the contrary notwithstanding, any county and
13 its authorized personnel may impose and enforce traffic laws and
14 shall enforce chapters 249; 286; 287; 291; 291C; 291E; 431,
15 articles 10C and 10G; and 486, part III on public streets,
16 roads, or highways whose ownership is in dispute between the
17 State and the county.

18 (b) [~~Any provision of the law to the contrary~~
19 ~~notwithstanding, any county and its authorized personnel may~~
20 ~~repair or maintain, in whole or in part, public streets, roads,~~
21 ~~or highways whose ownership is in dispute between the State and~~
22 ~~the county.] A county agency maintaining or repairing a road~~

____.B. NO. _____

1 whose ownership is in dispute between the State and the county
2 shall not be liable to any person for injury or damage sustained
3 when using that road.

4 (c) No presumption that a county owns a particular street,
5 road, or highway shall arise as a result of the county's
6 performance of the activities allowed by subsection (a) or (b).

7 (d) If a county requests or requires title to a disputed
8 road, the State may quitclaim whatever interest it has in the
9 road to the county.

10 (e) If a county accepts by resolution the dedication of a
11 road whose ownership is in dispute between the county and the
12 State, the county shall not be liable to any person for injury
13 or damage sustained while that person is using that road for a
14 period of ten years following the acceptance of that road by
15 resolution.

16 [~~(d)~~] (f) The general public shall have the unrestricted
17 right to use public streets, roads, or highways whose ownership
18 is in dispute between the State and the county to access the
19 shoreline and other public recreational areas; provided that
20 this subsection shall not apply to any private street, road, or
21 highway whose ownership is in dispute.

22 [~~(e)~~] (g) As used in this section[~~-~~

1 ~~"Public recreational area"]~~, "public recreational area" means
2 coastal and inland recreational areas, including beaches,
3 shores, public parks, public lands, public trails, and bodies of
4 water opened to the public for recreational use."

5 SECTION 4. Statutory material to be deleted is bracketed
6 and in strikethrough. New statutory material is underscored.

7 SECTION 5. This Act shall take effect upon its approval.

8
9 INTRODUCED BY: _____
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JUSTIFICATION SHEET

PROPOSER: Hawai'i State Association of Counties

TITLE: RELATING TO LIABILITY.

PURPOSE: This proposed Bill amends certain acts to provide continuous liability protection for the State and County Governments regarding the duty to warn the public of dangers on improved public lands and the actions of County Lifeguards.

MEANS: Repeals the sunset dates for Act 82, Session Laws of Hawai'i (SLH) 2003, as amended by Act 152, SLH 2007, Section 5, as amended by Act 144, SLH 2008, Section 1, as amended by Act 81, SLH 2009, Section 3; and Act 170, SLH 2002, as amended by Act 152, SLH 2007, Section 4, as amended by Act 81, SLH 2009, Section 2.

JUSTIFICATION: Allows the State and Counties to continue posting warning signs at beach parks, and allows the Counties to provide lifeguards at State and County beach parks without the threat of costly litigation for conditions or events that are outside the State's and County's control.

____.B. NO. _____

JUSTIFICATION SHEET

PROPOSER: Hawai'i State Association of Counties

TITLE: RELATING TO THE TRANSIENT ACCOMMODATIONS TAX

PURPOSE: This proposed Bill for an Act increases the allocation of funds to the counties from the transient accommodation tax.

MEANS: Amends Section 237D-6.5, Hawai'i Revised Statutes by increasing the allocation to the counties to \$186,000,000.

JUSTIFICATION: The transient accommodations tax is a tax levied by the state on the proceeds derived from furnishing transient accommodations. Act 185 (1990) allocated to each County a percentage share of this tax to acknowledge that the fiscal burdens stemming from the tourist industry are borne by the Counties, including the costs of providing police and fire protection, maintaining County parks, beaches, water systems, roads, sewer systems and other tourism-related infrastructure. Since the enactment of Act 185 (1990), the TAT accounts for a significant portion of each County's general fund budgets. Act 103 (2011) capped the amount of TAT funds transferred to the counties at \$93,000,000 on a temporary basis. Act 161 (2013) made the cap permanent. The amount of revenues to the counties does not offset the impact of the increase in visitors to Hawai'i in recent years.

A BILL FOR AN ACT

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4 RELATING TO TRANSIENT ACCOMMODATIONS TAX.
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7 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**
8

9 SECTION 1. Section 237D-6.5, Hawaii Revised Statutes, is
10 amended by amending subsection (b) to read as follows:

11 "(b) Revenues collected under this chapter shall be
12 distributed as follows, with the excess revenues to be deposited
13 into the general fund:

14 (1) \$33,000,000 shall be allocated to the convention center enterprise special fund established
15 under section 201B-8;

16 (2) \$82,000,000 shall be allocated to the tourism special fund established under section
17 201B-11; provided that:

18 (A) Beginning on July 1, 2012, and ending on June 30,
19 2015, \$2,000,000 shall be expended from the
20 tourism special fund for development and
21 implementation of initiatives to take advantage of
22 expanded visa programs and increased travel
23 opportunities for international visitors to
24 Hawaii;

25 (B) Of the \$82,000,000 allocated:

26 (i) \$1,000,000 shall be allocated for the
27 operation of a Hawaiian center and the

____.B. NO. _____

1 museum of Hawaiian music and dance at the
2 Hawaii convention center; and

3 (ii) 0.5 per cent of the \$82,000,000 shall be
4 transferred to a sub-account in the tourism
5 special fund to provide funding for a safety
6 and security budget, in accordance with the
7 Hawaii tourism strategic plan 2005-2015; and

8 (B) Of the revenues remaining in the tourism special
9 fund after revenues have been deposited as
10 provided in this paragraph and except for any sum
11 authorized by the legislature for expenditure from
12 revenues subject to this paragraph, beginning July
13 1, 2007, funds shall be deposited into the tourism
14 emergency trust fund, established in section 201B-
15 10, in a manner sufficient to maintain a fund
16 balance of \$5,000,000 in the tourism emergency
17 trust fund;
18

19 (3) [~~\$93,000,000~~] \$186,000,000 shall be allocated as follows: Kauai county shall receive
20 14.5 per cent, Hawaii county shall receive 18.6 per cent, city and county of Honolulu shall
21 receive 44.1 per cent, and Maui county shall receive 22.8 per cent; and

22 (4) Of the excess revenues deposited into the general fund pursuant to this subsection,
23 \$3,000,000 shall be allocated subject to the mutual agreement of the board of land and natural
24 resources and the board of directors of the Hawaii tourism authority in accordance with the
25 Hawaii tourism authority strategic plan for:

1 (A) The protection, preservation, and enhancement of
2 natural resources important to the visitor
3 industry;

4 (B) Planning, construction, and repair of facilities;
5 and

6 (C) Operation and maintenance costs of public
7 lands connected with enhancing the visitor
8 experience.

9 All transient accommodations taxes shall be paid into the
10 state treasury each month within ten days after collection and
11 shall be kept by the state director of finance in special
12 accounts for distribution as provided in this subsection.

13 As used in this subsection, "fiscal year" means the twelve-
14 month period beginning on July 1 of a calendar year and ending
15 on June 30 of the following calendar year."

16 SECTION 2. Statutory material to be repealed is bracketed
17 and stricken. New statutory material is underscored.

18 SECTION 3. This Act shall take effect on July 1, 2014.

19
20 INTRODUCED BY: _____

____.B. NO. _____

JUSTIFICATION SHEET

PROPOSER: Hawai'i State Association of Counties

TITLE: RELATING TO EDUCATION

PURPOSE: This proposed Bill for an Act provides \$38,000,000 for construction of a permanent facility for the Daniel K. Inouye College of Pharmacy.

MEANS: Appropriates funds from the general revenues of the State of Hawai'i.

JUSTIFICATION: The Daniel K. Inouye College of Pharmacy reached full accreditation in 2011, but in 2013 the Accreditation Council for Pharmacy Education voted to continue the school's accreditation on a provisional basis because of the school's inadequate physical facilities. This college serves students from throughout the state, and construction funding remains a high priority for the University of Hawai'i.

A BILL FOR AN ACT

RELATING TO EDUCATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

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SECTION 1. There is appropriated out of the general revenues of the state of Hawai'i the sum of \$38,000,000 or so much thereof as may be necessary for fiscal year 2014-2015 for construction of permanent infrastructure and facilities for the University of Hawai'i at Hilo Daniel K. Inouye College of Pharmacy.

The sum appropriated shall be expended by the University of Hawai'i at Hilo for the purposes of this Act.

SECTION 2. This Act shall take effect upon its approval.

INTRODUCED BY: _____

____.B. NO. _____

JUSTIFICATION SHEET

PROPOSER: Hawai'i State Association of Counties

TITLE: RELATING TO HEALTH

PURPOSE: This proposed Bill for an Act provides \$2,800,000 for Hilo Medical Center's primary care training program.

MEANS: Appropriates funds from the general revenues of the State of Hawai'i.

JUSTIFICATION: Access to health care is a critical issue in Hawai'i, especially on the Neighbor Islands. A medical residency program based at Hilo Medical Center will help to ease this shortage by training physicians and providing access to critical rural underserved areas of Hawai'i.

A BILL FOR AN ACT

RELATING TO HEALTH.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the State faces a
2 severe shortage of healthcare providers. This situation
3 is particularly acute in primary care, where most of the
4 prevention, early intervention, and healthcare cost
5 savings occur.

6 The legislature further finds that the Hawaii health
7 systems corporation primary care training program is an
8 effective way to reduce the impact of the shortage of
9 primary care providers and improve access to healthcare
10 throughout the State. Administered by Hilo medical
11 center in coordination with the Hawaii health systems
12 corporation regions, this interdisciplinary program
13 includes: the Hawaii island family medicine residency
14 program; training for advanced practice nurses from the
15 school of nursing and dental hygiene at the University of
16 Hawaii at Manoa and the school of nursing at the
17 University of Hawaii at Hilo; clinical pharmacists from
18 the University of Hawaii at Hilo's college of pharmacy;
19 and post-doctoral fellows from I Ola Lahui, an
20 organization that trains psychologists to meet the needs
21 of residents of rural areas.

22 The success of this training model, which will be
23 expanded to other neighbor island health facilities, will

____.B. NO. _____

1 generate interdisciplinary teams capable of caring for
2 four times as many patients as independent practicing
3 physicians. Hawaii will benefit greatly as the Hawaii
4 health systems corporation regions' program will
5 eliminate the need to train or attract unattainably high
6 numbers of physicians.

7 The purpose of this Act is to address the shortage
8 of primary care providers in the State by appropriating
9 funds for the interdisciplinary Hawaii health systems
10 corporation primary care training program at Hilo medical
11 center.

12 SECTION 2. There is appropriated out of the general
13 revenues of the State of Hawaii the sum of \$2,800,000 or
14 so much thereof as may be necessary for fiscal year 2014-
15 2015 for the interdisciplinary Hawaii health systems
16 corporation primary care training program at Hilo medical
17 center.

18 The sum appropriated shall be expended by the Hawaii
19 health systems corporation for the purposes of this Act.

20 SECTION 3. This Act shall take effect on July 1,
21 2014.

22

23

INTRODUCED BY: _____



JUSTIFICATION SHEET

PROPOSER: Hawai'i State Association of Counties

TITLE: RELATING TO VIDEOCONFERENCING

PURPOSE: To increase participation by neighbor island residents in the legislative process by requiring both chambers of the Hawai'i State Legislature to implement rules providing audio or audiovisual technology for live oral testimony during legislative hearings.

MEANS: Amends Chapter 21 of the Hawai'i Revised Statutes by adding a new part. "Videoconferencing; rules".

JUSTIFICATION: There has been a need to allow neighbor island residents to present live oral testimony to participate in the legislative process, and a need to establish rules to identify sites or facilities with existing capabilities that can be used for this purpose.

A BILL FOR AN ACT

RELATING TO VIDEOCONFERENCING.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. Chapter 21, Hawaii Revised Statutes, is amended by adding a new part to be appropriately designated and to read as follows:

"PART . COMMITTEE HEARINGS, GENERALLY

§21- Videoconferencing; rules. (a) Each chamber of the legislature shall establish, by rule, procedures to enable the legislature to use audio or audiovisual technology at legislative committee hearings to receive live oral testimony from residents on the neighbor islands. Each chamber of the legislature shall identify executive agency sites or facilities on the neighbor islands that have existing audio and audiovisual capabilities that could be used to allow neighbor island residents to present live oral testimony from the neighbor islands.

(b) In carrying out the duties prescribed under subsection (a), each chamber of the legislature shall consult with the

chief information officer, who shall ensure that the audio or audiovisual technology to implement this section:

- (1) Satisfies the technical requirements of the State's existing network infrastructure;
- (2) Adheres to best practices;
- (3) Is compatible with multiple platforms; and
- (4) Is provided appropriate resources and support.

(c) Each chamber of the legislature shall consult with the disability and communication access board to ensure that all activities conducted pursuant to this section comply with the requirements of the Americans with Disabilities Act."

SECTION 2. Chapter 21 is amended by designating sections 21-1 to 21-19 as part I, entitled:

**"PART I. INVESTIGATING COMMITTEES, GENERAL POWERS, AND
DUTIES OF SERGEANT-AT ARMS"**

SECTION 3. Section 21-1, Hawaii Revised Statutes, is amended to read as follows:

"§21-1 Purpose. The purpose of this [~~chapter~~] part is to establish procedures governing legislative investigating committees to provide for the creation and operation of legislative investigating committees in a manner [~~which~~] that will enable them to perform properly the powers and duties vested in them, including the conduct of hearings, in a fair and impartial manner, consistent with protection of the

constitutional rights of persons called to testify at such hearings and preservation of the public good."

SECTION 4. There is appropriated out of the general revenues of the State of Hawaii the sum of \$ or so much thereof as may be necessary for fiscal year 2013-2014 and the same sum or so much thereof as may be necessary for fiscal year 2014-2015 for the use of audio or audiovisual technology throughout the State to enable neighbor island residents to present live oral testimony at legislative committee hearings.

The sums appropriated shall be expended by the chief information officer for the purposes of this Act.

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 6. This Act shall take effect on July 1, 2050.

JUSTIFICATION SHEET

PROPOSER: Hawaii State Association of Counties

TITLE: URGING THE UNITED STATES DEPARTMENT OF STATE, THE DEPARTMENT OF HOMELAND SECURITY, AND THE UNITED STATES ATTORNEY GENERAL TO EASE VISA RESTRICTIONS FOR THE PEOPLE'S REPUBLIC OF CHINA.

PURPOSE: Supporting the easing of visa restrictions for the People's Republic of China.

MEANS: Resolution.

JUSTIFICATION: The People's Republic of China (PRC) is now a major trade partner with the United States (U.S.), a world leader in the auto market and the world's largest producer of energy. PRC has approximately 1.3 billion citizens which represents a very large and lucrative pool of visitors, as the average PRC tourist to Hawaii spends on average \$368 per day, compared to the \$275 daily for every Japanese tourist and just \$178 per day for every other tourist to Hawaii. However, despite the reciprocity between China and Hawaii, the visa application and approval process for PRC business and tourist travelers is an arduous and often lengthy process which deters potential visitors to Hawaii and the U.S. A PRC citizen who wishes to visit the U.S. must appear in person before a U.S. consulate official to obtain the visa, but there are only five U.S. consulates in the entire PRC. The average wait time for a PRC visa applicant far exceeds wait times for other countries. The solution to ease this problem is for the PRC to be admitted to the U.S. State Department's Visa Waiver Program which allows nationals from foreign countries to enter the U.S. for tourism or business related purposes for a maximum of 90 days without obtaining a visa. Currently there are 36 countries admitted into the Visa Waiver Program.

___C.R. NO. ___

RESOLUTION

URGING THE U.S. DEPARTMENT OF STATE, THE DEPARTMENT OF HOMELAND SECURITY AND THE UNITED STATES ATTORNEY GENERAL TO EASE VISA RESTRICTIONS FOR THE PEOPLE'S REPUBLIC OF CHINA.

1 WHEREAS, China and her people have long been a part of the
2 economy and culture of Hawaii since the first Chinese sugar
3 plantation laborers arrived in the islands in 1852; and
4

5 WHEREAS, the first 175 laborers immigrated from depression-
6 torn Guangdong and Fujian in southern China to work at sugar
7 plantations on Maui; and
8

9 WHEREAS, from 1852 to 1876, nearly 4,000 Chinese laborers
10 migrated to Hawaii; and by 1882, these huaqiao or migrants made
11 up almost 49 percent of plantation labor, outnumbering the total
12 Caucasian population residing in the islands; and
13

14 WHEREAS, the progeny of these humble but determined Chinese
15 immigrants rose quickly through the ranks of Hawaii's
16 educational, political and business communities, and would leave
17 lasting impacts on Hawaii and even the world—the most famous of
18 whom is referred to as "The Forerunner of the Revolution," Dr.
19 Sun Yat-sen; and
20

21 WHEREAS, Dr. Sun Yat-sen's education at Iolani School and
22 Oahu College inspired him to develop his vision of an educated,

____.C.R. NO. _____

1 strong and democratic, modern-day China that he would dedicate
2 the rest of his life bringing to realization, and
3 Dr. Sun Yat-sen would often say that Hawaii was the place where
4 he "came to know what modern, civilized governments are like and
5 what they mean"; and
6

7. WHEREAS, Dr. Sun Yat-sen established the first Chinese
8 revolutionary party, called *Xing Zhong Hui* or "Revive China
9 Society," and returned to Hawaii five more times to receive the
10 many financial contributions given by Hawaii families to his
11 cause; and
12

13 WHEREAS, the Counties of Hawaii Sister-Cities Summit
14 ("Summit") held in Honolulu on September 13-15, 2011,
15 highlighted the inextricable and historic ties between the
16 People's Republic of China (PRC) and Hawaii, with a particular
17 emphasis on strengthening the relationships between Honolulu's
18 sister cities of Zhongshan, Haikou, Qinhuangdao and Chengdu; and
19

20 WHEREAS, the Summit demonstrated that the PRC will continue
21 to embrace Hawaii's open door policy and fortified the
22 understanding of our mutual needs in the areas of cultural
23 exchange, economic development, trade, tourism and education;
24 and
25

26 WHEREAS, recently, members of Hawaii's business and
27 government communities welcomed 271 passengers at Honolulu
28 International Airport from China Eastern Airlines' inaugural
29 direct flight from Shanghai, heralding a new era for Honolulu's

____.C.R. NO. _____

1 economic growth and forging closer ties between the United
2 States and the PRC; and

3

4 WHEREAS, the PRC, with its 1.3 billion people, represents a
5 very large and lucrative pool of visitors, as Chinese tourists
6 to Hawaii are expected to spend an average of \$368 per day,
7 compared to the \$275 daily average for every Japanese tourist
8 and the \$178 per day averaged for all other tourists to Hawaii;
9 and

10

11 WHEREAS, tourist dollars have been identified by the U. S.
12 Department of Commerce as an export, and President Barack
13 Obama's National Export Initiative of May 2010 seeks to double
14 all U.S. exports by 2015; and

15

16 WHEREAS, the PRC has transformed itself from an
17 impoverished country to the world's second largest economy and
18 as it grows, continues to have a significant impact upon Hawaii
19 and the global arena; and

20

21 WHEREAS, the PRC is now a major trade partner with the
22 United States, a force for stability and peace throughout Asia,
23 a world leader in the auto market and the world's largest
24 producer of energy; and

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26 WHEREAS, in spite of the many reciprocities between the PRC
27 and Hawaii, the visa application and approval process for PRC
28 business and tourist travelers is an arduous and often lengthy

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1 process which deters many potential PRC visitors to Hawaii and
2 the United States; and

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4 WHEREAS, at the present time, a PRC citizen who wishes to
5 visit the United States must appear in person before a U.S.
6 consulate official to obtain a visa; however, there are only
7 five U.S. consulates to service the entire PRC; and

8

9 WHEREAS, due to the relative small number of consulate
10 locations and staff to process the in-person interviews required
11 to obtain an entry visa, the average interview wait times in the
12 PRC far exceed interview wait times in other countries; and

13

14 WHEREAS, one solution to ease this congestion problem is
15 for the PRC to be admitted into the U.S. State Department's Visa
16 Waiver Program, which allows foreign nationals to enter the
17 United States for tourism- or business-related purposes for a
18 maximum of 90 days without requiring a visa; and

19

20 WHEREAS, both Japan and South Korea currently qualify for
21 visa waivers; and

22

23 WHEREAS, in November 2008, when South Korea was accepted as
24 one of 36 countries participating in the Visa Waiver Program,
25 Hawaii saw a significant boost in tourist visitors and dollars
26 from that country; and

27

28 WHEREAS, in order for a country to qualify for the Visa
29 Waiver Program, the country must satisfy certain conditions,

1 with the United States retaining the final discretion of whether
2 to admit a country into the program; and

3

4 WHEREAS, one condition for entry into the Visa Waiver
5 Program is the rate of refusal of a country's visa applicants
6 which must be three percent or lower; and

7

8 WHEREAS, the refusal rate for PRC visa applicants was 13.3
9 percent as of 2010; and

10

11 WHEREAS, the Travel and Tourism Advisory Board, a newly
12 created industry group appointed by the U.S. Secretary of
13 Commerce, recommended specific measures that could be taken to
14 increase travel to the U.S. from the PRC, which include:

15 (1) Raising the acceptable visa refusal rate from three to 10
16 percent; (2) Establishing a five-day maximum wait time for
17 in-person visa interviews; (3) Adding four to six visa
18 processing locations and several hundred consulate officers to
19 process visas; and (4) Allowing non-immigrant visas to last 10
20 years for PRC visitors, which is currently permitted in other
21 countries; and

22

23 BE IT RESOLVED BY THE House of Representatives/Senate of
24 the Twenty-eighth Legislature of the State of Hawaii, Regular
25 Session of 2014, the Senate/House concurring, that it urges the
26 U.S. Department of State, the Department of Homeland Security
27 and the U.S. Attorney General to include the People's Republic
28 of China in the Visa Waiver Program and support the
29 recommendations made by the U.S. Department of Commerce's Travel

____.C.R. NO. _____

1 and Tourism Advisory Board to ease visa restrictions and the
2 visa application and approval process for business and tourist
3 travelers from the People's Republic of China; and
4

5 BE IT FINALLY RESOLVED that a copy of this Resolution be
6 transmitted to the Honorable John Kerry, Secretary of the U.S.
7 Department of State; Secretary Janet Napolitano, Department of
8 Homeland Security; U.S. Attorney General Eric H. Holder, Jr.;
9 Secretary Penny Pritzker, U.S. Department of Commerce; China's
10 Ambassador to the United States, 2201 Wisconsin Avenue, N.W.,
11 Suite 110, Washington, D.C. 20007; the members of Hawaii's
12 Congressional Delegation; the Hawaii Tourism Authority; the
13 Director of the Hawaii State Department of Business, Economic
14 Development and Tourism; the Asian American Institute, 4753
15 North Broadway, Suite 904, Chicago, Illinois 60640; The
16 Organization of Chinese Americans, 1322 18th Street, NW,
17 Washington, D.C. 20036-183; the President of the Hawaii State
18 Association of Counties; and the Mayors of the counties of
19 Kauai, Hawaii, Honolulu and Maui.

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INTRODUCED BY: _____

____.R. NO.____

RESOLUTION

URGING THE U.S. DEPARTMENT OF STATE, THE DEPARTMENT OF HOMELAND SECURITY AND THE UNITED STATES ATTORNEY GENERAL TO EASE VISA RESTRICTIONS FOR THE PEOPLE'S REPUBLIC OF CHINA.

1 WHEREAS, China and her people have long been a part of the
2 economy and culture of Hawaii since the first Chinese sugar
3 plantation laborers arrived in the islands in 1852; and
4

5 WHEREAS, the first 175 laborers immigrated from depression-
6 torn Guangdong and Fujian in southern China to work at sugar
7 plantations on Maui; and
8

9 WHEREAS, from 1852 to 1876, nearly 4,000 Chinese laborers
10 migrated to Hawaii; and by 1882, these huaqiao or migrants made
11 up almost 49 percent of plantation labor, outnumbering the total
12 Caucasian population residing in the islands; and
13

14 WHEREAS, the progeny of these humble but determined Chinese
15 immigrants rose quickly through the ranks of Hawaii's
16 educational, political and business communities, and would leave
17 lasting impacts on Hawaii and even the world—the most famous of
18 whom is referred to as "The Forerunner of the Revolution," Dr.
19 Sun Yat-sen; and
20

21 WHEREAS, Dr. Sun Yat-sen's education at Iolani School and
22 Oahu College inspired him to develop his vision of an educated,

1 strong and democratic, modern-day China that he would dedicate
2 the rest of his life bringing to realization, and
3 Dr. Sun Yat-sen would often say that Hawaii was the place where
4 he "came to know what modern, civilized governments are like and
5 what they mean"; and
6

7 WHEREAS, Dr. Sun Yat-sen established the first Chinese
8 revolutionary party, called *Xing Zhong Hui* or "Revive China
9 Society," and returned to Hawaii five more times to receive the
10 many financial contributions given by Hawaii families to his
11 cause; and
12

13 WHEREAS, the Counties of Hawaii Sister-Cities Summit
14 ("Summit") held in Honolulu on September 13-15, 2011,
15 highlighted the inextricable and historic ties between the
16 People's Republic of China (PRC) and Hawaii, with a particular
17 emphasis on strengthening the relationships between Honolulu's
18 sister cities of Zhongshan, Haikou, Qinhuangdao and Chengdu; and
19

20 WHEREAS, the Summit demonstrated that the PRC will continue
21 to embrace Hawaii's open door policy and fortified the
22 understanding of our mutual needs in the areas of cultural
23 exchange, economic development, trade, tourism and education;
24 and
25

26 WHEREAS, recently, members of Hawaii's business and
27 government communities welcomed 271 passengers at Honolulu
28 International Airport from China Eastern Airlines' inaugural
29 direct flight from Shanghai, heralding a new era for Honolulu's

____. R. NO. _____

1 economic growth and forging closer ties between the United
2 States and the PRC; and

3

4 WHEREAS, the PRC, with its 1.3 billion people, represents a
5 very large and lucrative pool of visitors, as Chinese tourists
6 to Hawaii are expected to spend an average of \$368 per day,
7 compared to the \$275 daily average for every Japanese tourist
8 and the \$178 per day averaged for all other tourists to Hawaii,
9 and

10

11 WHEREAS, tourist dollars have been identified by the U. S.
12 Department of Commerce as an export, and President Barack
13 Obama's National Export Initiative of May 2010 seeks to double
14 all U.S. exports by 2015; and

15

16 WHEREAS, the PRC has transformed itself from an
17 impoverished country to the world's second largest economy and
18 as it grows, continues to have a significant impact upon Hawaii
19 and the global arena; and

20

21 WHEREAS, the PRC is now a major trade partner with the
22 United States, a force for stability and peace throughout Asia,
23 a world leader in the auto market and the world's largest
24 producer of energy; and

25

26 WHEREAS, in spite of the many reciprocities between the PRC
27 and Hawaii, the visa application and approval process for PRC
28 business and tourist travelers is an arduous and often lengthy

____. R. NO. _____

1 process which deters many potential PRC visitors to Hawaii and
2 the United States; and

3
4 WHEREAS, at the present time, a PRC citizen who wishes to
5 visit the United States must appear in person before a U.S.
6 consulate official to obtain a visa; however, there are only
7 five U.S. consulates to service the entire PRC; and

8
9 WHEREAS, due to the relative small number of consulate
10 locations and staff to process the in-person interviews required
11 to obtain an entry visa, the average interview wait times in the
12 PRC far exceed interview wait times in other countries; and

13
14 WHEREAS, one solution to ease this congestion problem is
15 for the PRC to be admitted into the U.S. State Department's Visa
16 Waiver Program, which allows foreign nationals to enter the
17 United States for tourism- or business-related purposes for a
18 maximum of 90 days without requiring a visa; and

19
20 WHEREAS, both Japan and South Korea currently qualify for
21 visa waivers; and

22
23 WHEREAS, in November 2008, when South Korea was accepted as
24 one of 36 countries participating in the Visa Waiver Program,
25 Hawaii saw a significant boost in tourist visitors and dollars
26 from that country; and

27
28 WHEREAS, in order for a country to qualify for the Visa
29 Waiver Program, the country must satisfy certain conditions,

R. NO.

1 with the United States retaining the final discretion of whether
2 to admit a country into the program; and
3

4 WHEREAS, one condition for entry into the Visa Waiver
5 Program is the rate of refusal of a country's visa applicants
6 which must be three percent or lower; and
7

8 WHEREAS, the refusal rate for PRC visa applicants was 13.3
9 percent as of 2010; and
10

11 WHEREAS, the Travel and Tourism Advisory Board, a newly
12 created industry group appointed by the U.S. Secretary of
13 Commerce, recommended specific measures that could be taken to
14 increase travel to the U.S. from the PRC, which include:
15 (1) Raising the acceptable visa refusal rate from three to 10
16 percent; (2) Establishing a five-day maximum wait time for
17 in-person visa interviews; (3) Adding four to six visa
18 processing locations and several hundred consulate officers to
19 process visas; and (4) Allowing non-immigrant visas to last 10
20 years for PRC visitors, which is currently permitted in other
21 countries; and
22

23 BE IT RESOLVED BY THE House of Representatives/Senate of
24 the Twenty-eighth Legislature of the State of Hawaii, Regular
25 Session of 2014, the Senate/House concurring, that it urges the
26 U.S. Department of State, the Department of Homeland Security
27 and the U.S. Attorney General to include the People's Republic
28 of China in the Visa Waiver Program and support the
29 recommendations made by the U.S. Department of Commerce's Travel

____. R. NO. _____

1 and Tourism Advisory Board to ease visa restrictions and the
2 visa application and approval process for business and tourist
3 travelers from the People's Republic of China; and
4

5 BE IT FINALLY RESOLVED that a copy of this Resolution be
6 transmitted to the Honorable John Kerry, Secretary of the U.S.
7 Department of State; Secretary Janet Napolitano, Department of
8 Homeland Security; U.S. Attorney General Eric H. Holder, Jr.;
9 Secretary Penny Pritzler, U.S. Department of Commerce; China's
10 Ambassador to the United States, 2201 Wisconsin Avenue, N.W.,
11 Suite 110, Washington, D.C. 20007; the members of Hawaii's
12 Congressional Delegation; the Hawaii Tourism Authority; the
13 Director of the Hawaii State Department of Business, Economic
14 Development and Tourism; the Asian American Institute, 4753
15 North Broadway, Suite 904, Chicago, Illinois 60640; The
16 Organization of Chinese Americans, 1322 18th Street, NW,
17 Washington, D.C. 20036-183; the President of the Hawaii State
18 Association of Counties; and the Mayors of the counties of
19 Kauai, Hawaii, Honolulu and Maui.

20

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INTRODUCED BY: _____



JUSTIFICATION SHEET

PROPOSER: Hawaii State Association of Counties

TITLE: RELATING TO HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND BOARD OF TRUSTEES.

PURPOSE: Designates one of the five seats allocated to represent "public employers" on the Hawaii Employer-Union Health Benefits Trust Fund Board of Trustees to be filled by an individual appointed by the four County Mayors and approved by the Hawaii State Association of Counties.

MEANS: Amends §87A-5, Hawaii Revised Statutes.

JUSTIFICATION: As one of the major public employers in the state of Hawaii, the Counties contribute a substantial amount to the Hawaii Employer-Union Health Benefit Trust Fund (EUTF) and County employees and retirees are deeply affected by the benefit decisions made by the EUTF Board of Trustees. However, the Counties do not have representation on the EUTF Board. A designated County Trustee on the EUTF Board would provide the Board with the needed fiscal expertise and knowledge of County finances and the County workplace.

___B. NO. ___

A BILL FOR AN ACT

RELATING TO HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
BOARD OF TRUSTEES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the counties need
2 representation on the board of trustees of the Hawaii employer-
3 union health benefits trust fund. The counties contribute a
4 substantial amount to the fund, and the health and well-being of
5 their employees and retirees depend on the benefit decisions
6 made by the board of trustees. Despite their lack of
7 representation as public employers the counties are affected by
8 board decisions.

9 The purpose of this Act is to require that one of the five
10 seats on the board allocated to public employers be occupied by
11 a member appointed by the mayors of all four counties and
12 approved by the Hawaii State Association of Counties.

13 SECTION 2. Section 87A-5, Hawaii Revised Statutes, is
14 amended to read as follows:

15 "§87A-5 Composition of board.

.B. NO.

1 The board of trustees of the employer-union health benefits
2 trust fund shall consist of ten trustees appointed [~~by the~~
3 ~~governor~~] in accordance with the following procedure:

4 (1) Five trustees [~~7~~] appointed by the governor, one of
5 whom shall represent retirees, to represent employee-
6 beneficiaries and to be selected as follows:

7 (A) Three trustees shall be appointed from a list of
8 two nominees per trustee selected by each of the
9 three exclusive representative organizations that
10 have the largest number of employee-
11 beneficiaries;

12 (B) One trustee shall be appointed from a list of two
13 nominees selected by mutual agreement of the
14 remaining exclusive employee representative
15 organizations; and

16 (C) One trustee representing retirees shall be
17 appointed from a list of two nominees selected by
18 mutual agreement of all eligible exclusive
19 representatives; and

20 (2) Five trustees to represent public employers [~~7~~],
21 four of whom shall be appointed by the governor,
22 and one of whom shall be appointed by unanimous

.B. NO.

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agreement of the mayors of each of the four
counties and approved by the Hawaii State
Association of Counties to represent the city and
county of Honolulu and the counties of Hawaii,
Maui, and Kauai; provided that if the counties do
not make an appointment within sixty days, the
governor may fill the vacancy.

Section 26-34 shall not apply to board member selection and terms. Notwithstanding any other provision of this section, no exclusive representative of a bargaining unit that sponsors or participates in a voluntary employee beneficiary association shall be eligible to select nominees or to be represented by a trustee on the board.

As used in this section, the term "exclusive representative" shall have the same meaning as in section 89-2."

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

INTRODUCED BY: _____

JUSTIFICATION SHEET

PROPOSER: Hawaii State Association of Counties

TITLE: RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.

PURPOSE: Adds one additional member to the Employees' Retirement System Board of Trustees, specifically designated to represent the Counties.

MEANS: Amends §88-24, Hawaii Revised Statutes.

JUSTIFICATION: As one of the major public employers in the state of Hawaii, the Counties contribute a substantial amount to the Employees' Retirement System (ERS) and County employees and retirees are deeply affected by the benefit decisions made by the ERS Board of Trustees. However, the Counties do not have representation on the ERS Board. A designated County Trustee on the ERS Board would provide the Board with the needed fiscal expertise and knowledge of County finances and the County workplace.

A BILL FOR AN ACT

RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the counties need
2 county representation on the board of trustees of the employees'
3 retirement system of the State. The counties contribute a
4 considerable share to retirement system costs, and their
5 employees and retirees are a significant portion of the system's
6 membership. County representation will ensure that the board
7 possesses expertise about county finances and the county
8 workforce in making benefit decisions. Lack of representation
9 may result in a situation where board members do not fully
10 consider the costs of their actions on the counties, resulting
11 in changes that may not be cost beneficial in the aggregate or
12 may affect the retirement income of county employees and
13 retirees.

14 The purpose of this Act is to include county representation
15 on the membership of the board of trustees of the employees'
16 retirement system.

1 SECTION 2. Section 88-24, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "~~§88-24~~ **Composition of board.** The board of trustees shall
4 consist of [~~eight~~] ten members as follows:

- 5 (1) The director of finance of the State, ex officio;
- 6 (2) [~~Four~~] Five members of the system, [~~two~~] three of whom
7 shall be general employees, one of whom shall be a
8 teacher, and one of whom shall be a retirant to be
9 elected by the members and retirants of the system
10 under rules adopted by the board governing the
11 election to serve for terms of six years each, one of
12 the terms to expire on January 1 of each even-numbered
13 year; provided that, if after the close of filing of
14 petitions for candidacy, a member is unopposed for
15 election to a trustee position, the member shall be
16 deemed and declared to be duly and legally elected to
17 the position of trustee without an election; and
- 18 (3) Three citizens of the State who are not employees, two
19 of whom have at least three years of experience
20 providing financial services, including investments,
21 to public, corporate, or private institutional
22 clients, to be appointed by the governor, with the

JUSTIFICATION SHEET

PROPOSER: Hawaii State Association of Counties

TITLE: RELATING TO COUNTY SURCHARGE ON STATE TAX.

PURPOSE: A proposed bill reducing the percentage, from ten to two percent, which is automatically deducted from the gross proceeds of a county's surcharge on state tax and earmarked to reimburse the state for costs associated with handling the assessments, collection and disposition of the county surcharge.

MEANS: Amends §284-2.6(a), Hawaii Revised Statutes

JUSTIFICATION: Act 247 (2005) authorized the counties to adopt a surcharge on the state general excise tax, provided that ten percent of the gross proceeds are automatically deducted to reimburse the state for associated handling costs. However, the specific percentage amount written into statute was *not* based on the actual administration costs incurred by the state to handle assessments, collection and disposition of a county's surcharge. Essentially, the ten percent automatic deduction has no quantitative basis and does not reflect the true cost of collecting the county surcharge. Additionally, per statute, any such monies collected is retained in the state's *general fund* and not remitted to the state Department of Taxation; even though the state Department of Taxation is the specific agency that administers and collects the surcharge. In 2012, the amount of monies automatically deducted totaled \$21.2 million. In comparison, the state Department of Taxation operating budget totaled \$23.7 million. As such, the amount retained by the state from the county surcharge should be a true reimbursement of the additional costs incurred in administering and collecting the surcharge.

___B. NO. ___

A BILL FOR AN ACT

RELATING TO COUNTY SURCHARGE ON STATE TAX.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 248-2.6, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) If adopted by county ordinance, all county surcharges
4 on state tax collected by the director of taxation shall be paid
5 into the state treasury quarterly, within ten working days after
6 collection, and shall be placed by the director of finance in
7 special accounts. Out of the revenues generated by county
8 surcharges on state tax paid into each respective state treasury
9 special account, the director of finance shall deduct [~~ten~~two
10 percent of the gross proceeds of a respective county's surcharge
11 on state tax to reimburse the State for the costs of assessment,
12 collection, and disposition of the county surcharge on state tax
13 incurred by the State. Amounts retained shall be general fund
14 realizations of the State."

15 SECTION 2. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

____.B. NO. _____

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SECTION 3. This Act shall take effect on July 1, 2014.

INTRODUCED BY: _____