

COUNCIL OF THE COUNTY OF MAUI

POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE

October 18, 2013

**Committee
Report No.** _____

Honorable Chair and Members
of the County Council
County of Maui
Wailuku, Maui, Hawaii

Chair and Members:

Your Policy and Intergovernmental Affairs Committee, having met on September 30, 2013, makes reference to County Communication 13-43, from Council Chair Gladys C. Baisa, relating to matters pertaining to the Hawaii State Association of Counties (“HSAC”).

By correspondence dated September 23, 2013, the Office of the County Clerk for Kauai County transmitted correspondence dated September 17, 2013, from HSAC President Mel Rapozo, offering the following State bills and resolutions proposed by Hawaii County, Kauai County, and the City and County of Honolulu, for inclusion in the 2014 HSAC Legislative Package:

1. A proposed State bill entitled “A BILL FOR AN ACT RELATING TO LIABILITY”. The purpose of the proposed State bill is to continue liability protection for the State and county governments relating to the duty to warn the public of dangers on improved public lands and the actions of county lifeguards.
2. A proposed State bill entitled “A BILL FOR AN ACT RELATING TO TRANSIENT ACCOMMODATIONS TAX”. The purpose of the proposed State bill is to increase the annual cap on the counties’ share of the transient accommodations tax (“TAT”) revenues from \$93 million to \$186 million.
3. A proposed State bill entitled “A BILL FOR AN ACT RELATING TO EDUCATION”. The purpose of the proposed State bill is to appropriate \$38 million of general revenue funds in Fiscal Year 2014-2015 for construction of permanent infrastructure and facilities for the University of Hawaii at Hilo, Daniel K. Inouye College of Pharmacy.

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4. A proposed State bill entitled "A BILL FOR AN ACT RELATING TO HEALTH". The purpose of the proposed State bill is to appropriate \$2.8 million of general revenue funds in Fiscal Year 2014-2015 for the Hawaii Health Systems Corporation's primary-care training program at Hilo Medical Center.
5. A proposed State bill entitled "A BILL FOR AN ACT RELATING TO VIDEOCONFERENCING". The purpose of the proposed State bill is to increase participation by neighbor island residents in the legislative process by requiring both chambers of the Hawaii State Legislature to implement rules providing audio or audiovisual technology for live oral testimony during legislative hearings.
6. A proposed State bill entitled "A BILL FOR AN ACT RELATING TO HELMETS". The purpose of the proposed State bill is to require any person operating a motorcycle or motor scooter and any passenger, irrespective of the person's age, to wear a safety helmet securely fastened with a chin strap.
7. A proposed State bill entitled "A BILL FOR AN ACT RELATING TO MOPEDES". The purpose of the proposed State bill is to require any person driving a moped, irrespective of the person's age, to wear a safety helmet securely fastened with a chin strap.
8. A proposed State resolution and a proposed State concurrent resolution entitled "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". The purpose of the proposed State resolutions is to support the easing of visa restrictions for the People's Republic of China, encouraging business travelers and tourists from China to visit Hawaii.
9. A proposed State bill entitled "A BILL FOR AN ACT RELATING TO HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND BOARD OF TRUSTEES". The purpose of the proposed State bill is to

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require one of the five seats on the board allocated to public employers to be occupied by a member appointed by the mayors of all four counties and approved by HSAC.

10. A proposed State bill entitled "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM". The purpose of the proposed State bill is to require one of the ten seats on the board of trustees of the Employees' Retirement System to be occupied by a member appointed by the mayors of all four counties and approved by HSAC.
11. A proposed State bill entitled "A BILL FOR AN ACT RELATING TO COUNTY SURCHARGE ON STATE TAX". The purpose of the proposed State bill is to reduce, from ten to two per cent, the amount 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.

HSAC President Rapozo's correspondence also transmitted three proposals from Maui County, which the Council had already approved for inclusion in the 2014 HSAC Legislative Package by Resolutions 13-90, 13-91, and 13-92, adopted on August 20, 2013.

By correspondence dated September 24, 2013, the Chair of your Committee transmitted a proposed resolution entitled "APPROVING PROPOSALS FOR INCLUSION IN THE 2014 HAWAII STATE ASSOCIATION OF COUNTIES LEGISLATIVE PACKAGE", attaching as "Exhibit 1" the proposed State bills and resolutions proposed by the other counties. The purpose of the proposed resolution is to approve the proposed State bills and resolutions for inclusion in the 2014 HSAC Legislative Package.

Your Committee notes only those proposals approved by all four councils will be included in the 2014 HSAC Legislative Package for introduction to the State Legislature.

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Your Committee considered each proposal attached to the proposed resolution. Your Committee recognized all of the proposals have merit and address important county issues. However, your Committee felt it would be more effective to include only those proposals that relate to the counties' top priorities.

Your Committee noted the bill relating to liability is particularly important to the counties. If the bill relating to liability is not enacted, the counties could be subjected to costly litigation. Therefore, your Committee agreed to include this bill in the package.

Your Committee further noted the bill relating to the TAT will, if enacted, generate additional revenues for the counties by increasing the cap on the counties' share of the TAT. Your Committee considered whether the counties should support eliminating the cap altogether, rather than increasing it. However, your Committee felt a proposal to increase the cap is more likely to succeed during the 2014 Legislative Session. Therefore, your Committee agreed to include this bill in the package.

Your Committee also felt the bill proposing to appropriate \$2.8 million for the interdisciplinary Hawaii Health Systems Corporation's primary-care training program at Hilo Medical Center addresses a priority for the counties. Your Committee discussed the severe shortage of primary-care physicians throughout the State, particularly in rural areas. The training program will help to reduce the impact of the shortage and improve access to healthcare. Therefore, your Committee agreed to include this bill in the package.

Your Committee agreed the remaining bills and resolutions should be omitted from the 2014 HSAC Legislative Package. Your Committee encouraged the other counties to consider including their proposals in their respective county legislative packages.

Your Committee voted 8-0 to recommend adoption of the revised proposed resolution attaching as Exhibit "A-1" only the proposals numbered 1, 2, and 4 above. Committee Chair Hokama, Vice-Chair Couch, and members Baisa, Cochran, Crivello, Guzman, Victorino, and White voted "aye". Committee member Carroll was excused.

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**POLICY AND INTERGOVERNMENTAL
AFFAIRS COMMITTEE**

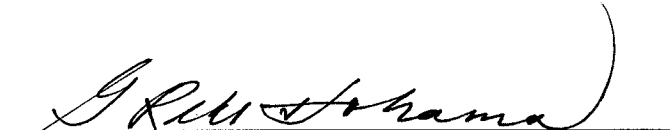
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Your Committee is in receipt of a revised proposed resolution, approved as to form and legality by the Department of the Corporation Counsel, incorporating your Committee's recommended revisions and nonsubstantive revisions.

Your Policy and Intergovernmental Affairs Committee RECOMMENDS that Resolution _____, attached hereto, entitled "APPROVING PROPOSALS FOR INCLUSION IN THE 2014 HAWAII STATE ASSOCIATION OF COUNTIES LEGISLATIVE PACKAGE", be ADOPTED.

This report is submitted in accordance with Rule 8 of the Rules of the Council.



G. RIKI HOKAMA, Chair

pia:cr:13003(4)aa:kmh

Resolution

No. _____

APPROVING PROPOSALS FOR INCLUSION IN THE 2014 HAWAII STATE ASSOCIATION OF COUNTIES LEGISLATIVE PACKAGE

WHEREAS, by Resolutions 13-90, 13-91, and 13-92, adopted on August 20, 2013, the Council approved three proposals for inclusion in the 2014 Hawaii State Association of Counties (“HSAC”) Legislative Package, and transmitted those proposals to the HSAC Executive Committee for approval; and

WHEREAS, at its meeting of September 13, 2013, the HSAC Executive Committee approved for inclusion in the 2014 HSAC Legislative Package the three proposals submitted by the Maui County Council, and other proposals submitted by the Hawaii County Council, Kauai County Council, and Honolulu City Council; and

WHEREAS, the HSAC Bylaws require that all four councils approve each proposal included in the HSAC Legislative Package; and

WHEREAS, the Council is now considering the proposals submitted by the other three councils, and approved by the HSAC Executive Committee, for inclusion in the 2014 HSAC Legislative Package; now, therefore,

BE IT RESOLVED by the Council of the County of Maui:

1. That it hereby approves the proposals, attached as Exhibit “A-1”, from the Hawaii County Council and Kauai County Council for inclusion in the 2014 HSAC Legislative Package;
2. That a certified copy of this resolution be transmitted to the HSAC Executive Committee; and
3. That certified copies of this resolution be transmitted to each of the mayors of the four counties, and to the State legislative delegation for the County of Maui.

Resolution No. _____

APPROVED AS TO FORM AND LEGALITY



Department of the Corporation Counsel
County of Maui

EDWARD S. KUSHI, JR.

pia:misc:003(4)areso02:kmh

A BILL FOR AN ACT

RELATING TO LIABILITY.

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

1 SECTION 1. Act 82, Session Laws of Hawaii 2003, as amended
2 by Act 152, Session Laws of Hawaii 2007, section 5, as amended
3 by Act 144, Session Laws of Hawaii 2008, section 1, as amended
4 by Act 81, Session Laws of Hawaii 2009, section 3, is amended by
5 amending section 8 to read as follows:

6 "SECTION 8. This Act shall take effect on July 1, 2003[~~r~~
7 ~~and shall be repealed on June 30, 2014~~]."

8 SECTION 2. Act 170, Session Laws of Hawaii 2002, as amended
9 by Act 152, Session Laws of Hawaii 2007, section 4, as amended
10 by Act 81, Session Laws of Hawaii 2009, section 2, is amended by
11 amending section 5 to read as follows:

12 "SECTION 5. This Act shall take effect upon its approval [~~r~~
13 ~~provided that section 1 of this Act shall be repealed on June~~
14 ~~30, 2014~~]."

15 SECTION 3. Statutory material to be repealed is bracketed
16 and stricken.

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

18 INTRODUCED BY: _____

EXHIBIT A-1

A BILL FOR AN ACT

1
2
3
4 RELATING TO TRANSIENT ACCOMMODATIONS TAX.
5
6

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

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: _____

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.

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23

INTRODUCED BY: _____