




2015 Legislative Update – Final Report As of 5/11/2015

This past session was a successful one as we were able to defeat many bills that were harmful to businesses and pass many bills that would improve the business climate in Hawaii. Below is a recap of some of the bills that the Chamber monitored and testified on to ensure that the voice of business is heard at the legislature. This legislative report shows the final status of the bill as of Adjournment Sine Die on May 7th.



This report is categorized according to our policy committees. After reviewing all the bills, those impacting business have been assigned to one of our policy committees based on the issue it pertains to. The following is a list of each committee category:

- Chamber Legislative Package – Page 1
- Military Affairs Council – Page 2
- Workplace Environment & Competitiveness (WEC) Committee – Page 3
- Economic Development & Innovation (EDI) Committee – Page 7
- Infrastructure, Transportation & Quality of Life (ITQ) Committee – Page 8
- Workforce Development & Education (WDE) Committee – Page 8
- Small Business & Entrepreneurship Advocacy (SBE) Committee – Page 8






To get involved in the legislative process and ensure your voice is heard, join a Chamber policy committee today by emailing Jenny Lee at jlee@cochawaii.org.

Bill Name	Chamber Position	Description	What it Means to Your Business	Final Status
LEGISLATIVE PACKAGE				
Education HB 775 HD1 SD1 CD1 Chamber Testimony		Appropriates funds to the department of business, economic development, and tourism for marketing Hawaii's higher education institutions to international students. (HB775 CD1)	Attract more international students to Hawaii and strengthen the education industry.	Transmitted to Governor.
Public Early Childhood Education HB 820 HD2 SD1 CD1 Chamber Testimony		Establishes the Executive Office on Early Learning Public Prekindergarten Program to be administered by the Executive Office on Early Learning and provided through Department of Education public schools and public charter schools. (HB820 CD1)	Supports early learning education programs, which creates a better workforce.	Transmitted to Governor.
Early Childhood Education HB 821 HD1 SD1 Chamber Testimony		Amends or repeals provisions of Chapters 302A and 302L, Hawaii Revised Statutes, as related to early childhood education, to clarify the respective roles of the Department of Education and the Executive Office on Early Learning. (SD1)	Supports early learning education programs, which creates a better workforce.	Transmitted to Governor.









<p>Residential Property HB 830 HD1 SD1 CD1 Chamber Testimony</p>		<p>Creates an exemption from DLNR historic review for proposed projects on privately-owned single-family detached dwelling units or townhouses that meet certain criteria. Defines “dwelling unit”, “single-family detached dwelling unit”, and “townhouse”. (CD1)</p>	<p>Reduces regulation for residential properties to do renovation or changes to their homes.</p>	<p>Transmitted to Governor.</p>
<p>Technology HB 1069 HD1 SD2 CD1 Chamber Testimony</p>		<p>Authorizes and appropriates funds for HTDC to provide grants to businesses with a federal small business innovation research phase II or III award. (HB1069 CD1)</p>	<p>Will provide access to capital for small businesses.</p>	<p>Transmitted to Governor.</p>
<p>Manufacturing SB 1001 SD2 HD1 CD1 Chamber Testimony</p>		<p>Establishes and appropriates funds for the manufacturing development program, through which the high technology development corporation shall distribute grants to Hawaii manufacturers for various activities. (CD1)</p>	<p>Provides incentives and assistance to manufacturers in the state to help diversify the economy.</p>	<p>Passed Final Reading as amended in CD1 in the House and Senate.</p>
<p>Statewide Infrastructure Capacity Building Construction Financing HB 441 SD1 Chamber Testimony</p>		<p>Establishes the infrastructure capacity construction loan revolving fund to provide loans to counties, state agencies, or private developers for infrastructure improvements. Appropriates funds for the administration and implementation of the infrastructure capacity construction loan revolving fund. (SD1)</p>	<p>Promote public-private partnerships for infrastructure projects.</p>	<p>Passed Second Reading, as amended (SD 1) and referred to WAM. DEAD</p>
<p>Small Business HB 774 HD1 SD1 Chamber Testimony</p>		<p>Makes an appropriation to the Department of Business, Economic Development, and Tourism for the Small Business Regulatory Review Board to hire additional staff. Effective 7/1/2053. (SD1)</p>	<p>Provide more input for small business on government regulations.</p>	<p>Conference Committee Meeting will reconvene on Friday, 05-01-15 at 4:46pm in Conference Room 423. DEAD</p>
Military Affairs Council				
<p>State Disaster Revolving Loan HB 323 HD1 Chamber Testimony</p>		<p>Authorizes loans from the State Disaster Revolving Loan Fund when the Governor declares a disaster due to a military force reduction, relocation, or mobilization. Allows DBEDT to adopt interim rules relating to disaster loans. Establishes a program manager position for the disaster loan program. (HB323 HD1)</p>	<p>Provides individuals and businesses impacted by military downsizing with loans that may be needed to address economic hardship.</p>	<p>Passed Second Reading as amended in HD 1 and referred to the committee(s) on FIN. DEAD</p>









<p>Veterans HB 1153 SD2 CD1</p>		<p>Exempts qualifying totally and permanently disabled veterans from paying the state motor vehicle registration fee. Requires the Director of the Office of Veterans Services to report the number of qualifying veterans to the Legislature and Department of Taxation. (HB1153 CD1)</p>	<p>Supports Hawaii residents that are qualified as permanently disabled veterans.</p>	<p>Transmitted to Governor.</p>
<p>Veterans SB 181 SD1 HD1 CD1</p>		<p>Allows the department of education to continue, until June 30, 2020, awarding high school diplomas to qualified veterans who did not receive a high school diploma as a result of compulsory induction into active service in the armed services of the United States or any person whose high school education was interrupted due to wartime practices such as internment during World War II. (CD1)</p>	<p>Extends a law that supports qualified veterans as well as any person whose education was interrupted by wartime practices.</p>	<p>Passed Final Reading as amended in CD1 in the House and Senate.</p>
<p>Military SB 559 SD2 HD2 Chamber Testimony</p>		<p>Establishes and funds a Military Affairs Advisor position who reports directly to the Governor and an Assistant Military Affairs Advisor position in the Office of the Governor. (SB559 HD2)</p>	<p>Expands the responsibilities of the Office of Veterans' Services to include collecting and maintaining information about the military's economic impact in Hawaii.</p>	<p>Conference committee meeting to reconvene on 05-01-15 2:30PM in conference room 312. DEAD</p>
Workplace Environment & Competitiveness				
<p>Taxation HB 134 HD1 SD2 CD1 Chamber Testimony</p>		<p>Reauthorizes the counties' authority to establish a county surcharge on state tax for a limited time period, with the surcharge to be effective until 12/31/2022, if adopted. Requires counties to adopt an ordinance to establish or extend a surcharge prior to 7/1/2016. Limits the use of surcharge revenues by counties that have already established a county surcharge on state tax to capital costs. Expands the definition of capital costs for counties with a population greater than 500,000. Amends the definition of "public lands" to include the air rights over any portion of state land upon which a county mass transit project is developed after 7/11/2005. (HB134 CD1)</p>	<p>Extends the program to complete the mass transit system in Honolulu to improve quality of life.</p>	<p>Transmitted to Governor.</p>
<p>Taxation HB 169 HD1 SD1 CD1 Chamber Testimony</p>		<p>Amends the definition of fair market rental value. Increases the transient accommodations tax imposed on resort time share vacation units by 1 per cent each year to gradually achieve a rate of 9.25 per cent of the fair market rental value. (HB169 CD1)</p>	<p>Increases taxes for business and consumers.</p>	<p>Transmitted to Governor.</p>









<p>Health HB 174 HD2 SD1 CD1</p>		<p>Requires health insurance coverage of orthodontic treatment for orofacial anomalies. Effective 7/1/2050. (SD1)</p>	<p>Increases administrative burden and cost to business by adding another mandated benefit.</p>	<p>Transmitted to Governor.</p>
<p>Employment HB 496 HD1 SD2 Chamber Testimony</p>		<p>Requires the office of the lieutenant governor to work with the department of labor and industrial relations to conduct an actuarial study on the cost of implementing a family leave insurance program that would allow employees to take up to 12 weeks of paid family leave, including after any leave available pursuant to the federal Family and Medical Leave Act is exhausted, and the effect that the leave may have on the existing temporary disability insurance program and prepare a report to the legislature. Appropriates funds for the study and report. Provides that service workers shall be authorized to earn and carry over up to 80 hours of paid sick leave. Effective 7/1/2059. (SD2)</p>	<p>Adds additional burden and cost to business.</p>	<p>Conference Committee Meeting will reconvene on Thursday 04-30-15 10:00AM in conference room 325. DEAD</p>
<p>State Affordable Care Act Innovation Waiver HB 576 HD1 SD1 CD1 Chamber Testimony</p>		<p>Narrows the scope of work of the State Innovation Waiver Task Force to facilitate the development of an Affordable Care Act waiver in a timely manner. (HB576 CD1)</p>	<p>This could help give Hawaii relief from some of the negative effects of ACA on business.</p>	<p>Transmitted to Governor.</p>
<p>Hospital Sustainability Program HB 581 HD1 SD1 CD1 Chamber Testimony</p>		<p>Continues the Hospital Sustainability Program for one year. Appropriates funds out of the Hospital Sustainability Program Special Fund for fiscal year 2015-2016. Amends various reimbursement rates under the program to certain private hospitals for uncompensated care and upper limit payments. (HB581 CD1)</p>	<p>Increases federal dollars into hospitals in Hawaii.</p>	<p>Transmitted to Governor.</p>
<p>Nursing Facility Sustainability Program HB 582 HD1 SD2 CD1 Chamber Testimony</p>		<p>Continues the Nursing Facility Sustainability Program for one additional year. Appropriates funds out of the Nursing Facility Sustainability Program Special Fund for Fiscal Year 2015-2016. (HB582 CD1)</p>	<p>Increases federal dollars into hospitals in Hawaii.</p>	<p>Transmitted to Governor.</p>
<p>Workers' Compensation HB 679 HD1 Chamber Testimony</p>		<p>Amends workers' compensation law for temporary total and partial disability benefits through certification by a physician. Allows for contemporaneous certification and retroactive certification of disability status. Applies only during the period that injuries have not reached medical stabilization or enrollment in a vocational rehabilitation process. (HB679 HD1)</p>	<p>Unfairly forces employers/carriers to pay benefits for a disability that has not been certified by a doctor and establishes a penalty. This will increase costs to business.</p>	<p>Passed Second Reading as amended in HD 1 and referred to the committee(s) on CPC. DEAD</p>









<p>Hawaii Health Connector</p> <p>HB 726 HD1</p> <p>Chamber Testimony</p>		<p>Requires health insurers with greater than 20 percent share of the State's small group health insurance market to offer gold and silver level qualified health plans as a condition of participation in the individual market of the Hawaii Health Connector. Requires the issuer of each qualified plan to offer to contract with federally qualified health centers.</p>	<p>Increases administrative burden and costs.</p>	<p>Passed Second Reading as amended in HD 1 and referred to the committee(s) on CPC.</p> <p>DEAD</p>
<p>Taxation</p> <p>HB 886 HD1</p> <p>Chamber Testimony</p>		<p>Extends the high-earner income tax brackets established pursuant to Act 60, Session Laws of Hawaii 2009 by an additional five years. Raises the income tax credits provided to low-income households by the refundable food/excise tax credit and low-income household renters. Amends gross income thresholds for households qualifying for the low-income household renters credit. (HB886 HD1)</p>	<p>Increases cost to business and consumers.</p>	<p>Referred to WAM.</p> <p>DEAD</p>
<p>Commuter Benefits Program</p> <p>HB 1010 HD1 SD2 CD1</p> <p>Chamber Testimony</p>		<p>Authorizes the counties to adopt an ordinance requiring employers to offer employees specified commuter benefits options. (HB1010 CD1)</p>	<p>Adds administrative burden for employers and increases costs.</p>	<p>Transmitted to Governor.</p>
<p>Health</p> <p>HB 1075 HD2 SD2 CD1</p> <p>Chamber Testimony</p>		<p>Authorizes the Governor, the Board of Directors of the Hawaii Health Systems Corporation, and Board of the Maui Regional System Board to enter into an agreement with a private entity duly authorized to conduct business in the State to transfer any one or more of the facilities of the Maui Regional System to a new nonprofit management entity to manage, operate, and use to provide health care services. (HB1075 CD1)</p>	<p>Increase efficiency of health care services.</p>	<p>Transmitted to Governor.</p>
<p>Penal Code</p> <p>HB 1326 SD1</p> <p>Chamber Testimony</p>		<p>Increases the monetary threshold to \$600 with respect to property or services for theft in the second degree. Effective 01/01/2016. (SD1)</p>	<p>Increases burden on businesses.</p>	<p>Passed Second Reading, as amended (SD 1) and referred to WAM.</p>
<p>Hawaii Health Connector</p> <p>HB 1467 HD2 SD1</p> <p>Chamber Testimony</p>		<p>Enables the Hawaii health connector to offer large group coverage to insurers, beginning January 1, 2017. Beginning January 1, 2016, ends transitional renewal policies in Hawaii. Requires health insurers to provide notice to group health plans offering continuation coverage about options to secure affordable coverage under the connector. Expands the potential small business market in the connector by amending the current definition of "small employer" under section 431:2-201.5, Hawaii Revised Statutes. Effective 07/1/2020. (SD1)</p>	<p>Adds mandate to private sector and could increase premiums.</p>	<p>Conference Committee Meeting will reconvene on Friday 05-01-15 at 2:00PM in Conference Room 229.</p> <p>DEAD</p>









<p>Labor</p> <p>SB 129 SD2</p> <p>Chamber Testimony</p>		<p>Requires certain employers to provide sick leave to service workers for specified purposes under certain conditions. Defines service workers and employers. Effective January 7, 2059. (SD2)</p>	<p>Creates another mandated benefit and will increase administrative burden as well as costs and premiums.</p>	<p>This measure has been deleted from the meeting scheduled on Tuesday 03-24-15 9:45AM in conference room 309.</p> <p>DEAD</p>
<p>Retail Employment</p> <p>SB 234 SD1</p> <p>Chamber Testimony</p>		<p>Makes it unlawful for any employer to suspend, discharge, or discriminate against any of the employer's employees because an employee refused to work on a holiday that is traditionally reserved for family gatherings, such as Thanksgiving or Christmas, if scheduled to do so by the employer. Effective 07/01/2050. (SD1)</p>	<p>Increases administrative burden and cost to business by adding another mandated benefit.</p>	<p>Passed Second Reading, as amended (SD 1) and referred to JDL.</p> <p>DEAD</p>
<p>Hawaii Health Connector</p> <p>SB 745 SD1</p> <p>Chamber Testimony</p>		<p>Requires any health insurer with at least a twenty per cent share of the health insurance market to submit its qualified plans and qualified dental plans for inclusion in the Hawaii health connector. Effective 07/01/2050. (SD1)</p>	<p>Adds mandate to private sector and could increase premiums.</p>	<p>Passed Second Reading, as amended (SD 1) and referred to WAM.</p> <p>DEAD</p>
<p>Autism Spectrum Disorders</p> <p>SB 791 SD1 HD2 CD1</p> <p>Chamber Testimony</p>		<p>Requires health insurers, mutual benefit societies, and health maintenance organizations to provide coverage for autism diagnosis and treatment. (CD1)</p>	<p>Increases mandated benefits for employers. It will increase medical costs and increase premiums.</p>	<p>Passed Final Reading as amended in CD1 in the House and Senate.</p>
<p>Hospital Sustainability Program</p> <p>SB 806 SD2</p> <p>Chamber Testimony</p>		<p>Continues the hospital sustainability program by extending its sunset date to June 30, 2016, updating the referral dates in the statute, and revising the funding amount for the hospital sustainability program for fiscal year 2015-2016. Appropriates funds. (SD2)</p>	<p>Increases federal dollars into hospitals in Hawaii.</p>	<p>Referred to HLT, FIN.</p> <p>DEAD</p>
<p>Hawaii Health Connector</p> <p>SB 1028 SD2 HD1 CD1</p> <p>Chamber Testimony</p>		<p>Appropriates funds for the operations of the Hawaii health connector. (CD1)</p>	<p>Could increase premiums.</p>	<p>Passed Final Reading as amended in CD 1 in both the House and Senate.</p>



<p>Wage and Hour Law</p> <p>SB 1122 HD1</p> <p>Chamber Testimony</p>		<p>Increases the amount of guaranteed monthly compensation required to exempt an individual from minimum wage, overtime, and record keeping requirements under the Hawaii Wage and Hour Law. (SB1122 HD1)</p>	<p>Increases wage costs and indirect labor costs such as UI, WC, TDI, FICA, Medicare and all other premiums and taxes tied to wages.</p>	<p>Conference committee meeting to reconvene on 05-01-15 10:15AM in conference room 325.</p> <p>DEAD</p>
<p>Workers' Compensation</p> <p>SB 1174 SD2 HD2</p> <p>Chamber Testimony</p>		<p>Provides that an independent medical examination and permanent impairment rating examination shall be conducted by a qualified physician selected by the mutual agreement of the parties. Provides a process for appointment in the event that there is no mutual agreement. (SB1174 HD2)</p>	<p>Likely to increase the amount of dispute on selecting an IME and increase your premiums.</p>	<p>Conference committee meeting to reconvene on 04-30-15 3:00PM in conference room 229.</p> <p>DEAD</p>
<p>Hawaii Health Connector</p> <p>SB 1338 SD2 HD1</p> <p>Chamber Testimony</p>		<p>Authorizes large group coverage under the Connector. Beginning 10/1/2016, ends authorization to renew or issue transitional renewal policies. Requires notice to group health plans offering COBRA coverage about options for affordable coverage under the Connector. (SB1338 HD1)</p>	<p>Adds mandate to private sector and could increase premiums.</p>	<p>Conference committee meeting scheduled for 04-23-15 10:00AM in conference room 016.</p> <p>DEAD</p>
Economic Development & Innovation				
<p>Disposable Food Containers</p> <p>HB 754</p>		<p>Prohibits restaurants, food establishments, and food packagers from providing food in polystyrene foam containers beginning 1/1/16. Requires the use of compostable food containers. Authorizes DOH to allow exemptions.</p>	<p>Increases costs to businesses and consumers.</p>	<p>Referred to HLT, CPC, FIN.</p> <p>DEAD</p>
<p>Public Safety</p> <p>HB1343 HD1 SD1 CD1</p> <p>Chamber Testimony</p>		<p>Appropriates moneys for the establishment of a business recovery center within the Department of Defense. (HB1343 CD1)</p>	<p>Provides support for businesses in case of a disaster.</p>	<p>Transmitted to Governor.</p>
<p>Enterprise Zones</p> <p>SB 712</p>		<p>Makes the research, development, sale, production, or processing of genetically engineered agricultural products not for direct human consumption as food ineligible for tax and other incentives granted to certain businesses located in enterprise zones.</p>	<p>Adds additional burden and cost and unfairly discriminates against a specific industry.</p>	<p>Referred to AGL/EDT, WAM.</p> <p>DEAD</p>



Infrastructure, Transportation & Quality of Life				
<p>Taxation</p> <p>HB 345 HD1</p> <p>Chamber Testimony</p>		<p>Imposes a conveyance tax on the conveyance of a controlling interest of an entity that has an interest in real property in the State. Applies to conveyances occurring after June 30, 2015. (HB345 HD1)</p>	<p>Increases taxes for business and consumers.</p>	<p>Referred to CPN, JDL/WAM.</p> <p>DEAD</p>
<p>Food Labeling</p> <p>SB 131</p> <p>Chamber Testimony</p>		<p>Establishes, beginning January 1, 2016, labeling requirements for any food or raw agricultural commodity sold in the State that contains a genetically engineered material, or was produced with a genetically engineered material; establishes exceptions; establishes violations; requires the director of health to adopt rules.</p>	<p>Increases regulations and costs for food distribution.</p>	<p>Passed Second Reading and referred to CPN/WAM.</p> <p>DEAD</p>
Workforce Development & Education				
<p>Workforce Development</p> <p>HB 696 HD2 SD1 CD1</p> <p>Chamber Testimony</p>		<p>Establishes the Hawaii Healthcare Workforce Advisory Board to help increase and strengthen the healthcare workforce in the State. Allows the director of labor and industrial relations to establish additional workforce advisory boards. (HB696 CD1)</p>	<p>Provides support to Hawaii's health care industry.</p>	<p>Transmitted to Governor.</p>
<p>Preschool</p> <p>HB 1401</p>		<p>Appropriates \$3,400,000 for each year of the fiscal biennium to each of five preschool programs for three- and four-year olds.</p>	<p>Supports early learning education programs.</p>	<p>Referred to EDN, FIN.</p> <p>DEAD</p>
<p>Human Services</p> <p>SB 64 SD3 HD1 CD1</p> <p>Chamber Testimony</p>		<p>Makes an appropriation for subsidies for the preschool open doors program. (CD1)</p>	<p>Supports early learning education programs.</p>	<p>Passed Final Reading in both the House and Senate.</p>
Small Business & Entrepreneurship Advocacy				
<p>Franchises</p> <p>HB 1000 HD1</p> <p>Chamber Testimony</p>		<p>Voids franchise provisions that restrict the resolution of claims arising under or relating to a franchise in this State to a foreign forum. (HB1000 HD1)</p>	<p>Supports local franchises.</p>	<p>Report adopted, referred to the committee(s) on JUD as amended in HD 1.</p> <p>DEAD</p>