

# HAR | MONY

Your REALTOR® Voice at the Hawai'i State Legislature

Issue #1.1 July 1 , 2009 Legislative Session in Review (Supplemental Report)



## Supplemental Report

The Governor has until July 15 to sign, veto, or allow measures to become law without her signature. If the Governor vetoes any of these measures the Legislature can call a special session to overturn the veto.

Also, the Governor also has the ability to line item veto which allows the ability to cancel certain parts of a bill dealing with monies and appropriations without vetoing the entire legislation.

In this supplemental report you will find bills that have passed the Legislature. These bills were provided because they either had some connection to real estate, our economy, business, or just for personal knowledge. The reports are separated into categories which include:

- Tax & Finance;
- Real Estate;
- Business; and
- Miscellaneous.





## HIGHLIGHTS: (TAX & FINANCE)

Bills signed / unsigned by Governor into law or pending veto.

BILL #:	SUMMARY: (Section of bill w/ a position)	POSITION:	STATUS:
H.B. 35	<b>Mandatory Tax Credit.</b> Provides a mandatory tax credit of \$1 to taxpayers pursuant to Article VII, section 6, of the Hawai'i Constitution.	Monitor	Signed into law as Act 84.
H.B. 128	<b>Campaign Finance.</b> Restricts limitation on contractors with the state to contributions by non-bid contractors only. Increases percentage limit on Mainland residents from 20% to 30%. Allows campaign funds to be used for donations to public schools or public libraries.	Monitor.	Notice of intent to veto.
H.B. 200	<b>State Budget.</b> Closes the budget deficit through spending cuts, program reductions and elimination of 200 mostly vacant jobs. Relies on separate tax bills which raise taxes.	Monitor	Signed into law as Act 162.
H.B. 895	<b>Tobacco Tax.</b> Increases the tobacco tax on tobacco products other than cigarettes and cigars from 40 percent to 70 percent of the wholesale price beginning on September 30, 2009; increases the tax on cigars to 50 percent beginning September 30, 2009; and defines "little cigars" and taxes them as cigarettes; deposits all additional taxes into the general fund.	Monitor	Veto Override. Enacted as Act 58.
H.B. 1175	<b>Cigarette Tax.</b> Increases the per-cigarette tax to 13 cents beginning July 1, 2009, 14 cents beginning July 1, 2010, and 15 cents beginning on July 1, 2011.	Monitor	Signed into law as Act 56
H.B. 1271	<b>Petroleum Tax.</b> Increase the tax on the barrel of petroleum products from 5 cents to \$1.05. Allocates portion of the taxes to various funds to promote renewable energy and protect agriculture.	Monitor	Notice of intent to veto.
H.B.1536	<b>Government Salary Reduction and Freeze.</b> Reduces the salaries of the Governor, Lieutenant Governor, justices and judges of all state courts, administrative director of the state, departmental directors and deputy directors, and members of the legislature by 5% through 2011.	Monitor	Signed into law as Act 85.
H.B. 1739	<b>Federal Grants.</b> Deters tax fraud and conforms state law to the Internal Revenue Code for tax preparers and tax return accuracy-related issues.	Monitor	Signed into law as Act 166.
S.B. 199	<b>High Technology Tax Credit.</b> Places an 80% cap on tax liability write-offs from high-technology tax credits. Limits investor return ratios to a one-to-one ratio.	Monitor	Notice of intent to veto.
S.B. 292	<b>Tobacco Settlement Fund.</b> Diverts money from the tobacco-settlement fund to the general fund.	Monitor	Signed into law as Act 119.
S.B. 884	<b>Non-General Funds.</b> Transfers excess balances from non-general funds to the general fund, includes the Compliance Resolution Fund.	Monitor	Signed into law as Act 79.



## HIGHLIGHTS: (REAL ESTATE)

Bills signed /unsigned by Governor into law or pending veto.

BILL #:	SUMMARY: (Section of bill w/ a position)	POSITION:	STATUS:
H.B. 876	<b>Association Liability.</b> Expands limitations on association liability for elderly unit owners or residents aging in place to include disabled persons.	N/A	Signed into law as Act 128.
H.B. 1071	<b>Mortgage Servicer Licensing.</b> Provides for the licensing and regulation of mortgage servicers that service residential mortgage loans secured by real property located in the State of Hawaii. Specifies prohibited practices for mortgage servicers.	Monitor	Signed into law as Act 106.
H.B. 1186	<b>Hawai'i Community Development Authority.</b> Eliminates the HCDA's cash-in-lieu option for meeting reserved housing requirements, while retaining the option in cases of a fractional unit resulting from the percentage requirement calculation.	Monitor	Unsigned into law as Act 18.
H.B. 1415	<b>Service of Process.</b> Requires Condominium Associations; Planned Community Associations and Cooperative Housing Corporations with properties inaccessible to the public to establish a policy to provide access for a person authorized to serve civil process. Sunsets on July 1, 2012.	Monitor	Signed into law as Act 158.
S.B. 440	<b>Affordable Housing.</b> Requires counties within 90 days to accept or reject a public infrastructure dedication, under specified conditions, as part of an affordable housing project or the infrastructure is deemed dedicated.	Monitor	Signed into law as Act 142.
S.B. 574	<b>Condominium Dispute Resolution.</b> Extends the condominium dispute resolution pilot project until 6/30/11.	N/A	Signed into law as Act 9.
S.B. 1107	<b>Condominium Education Trust Fund.</b> Merges the condominium management education fund into the condominium education trust fund.	Monitor	Signed into law as Act 129.
S.B. 1113	<b>Time Share.</b> Repeals the requirement that time share units in an existing hotel in a county with a population in excess of 500,000 are required to contain at least 60 units at least 40% of which are to be made available for sale or rental as residential apartments.	Monitor	Signed into law as Act 12.
S.B. 1259	<b>Environmental Response; Liability.</b> Amends Hawai'i law to be consistent with federal law, which protects innocent purchasers of, and property owners who are contiguous to, contaminated property from liability for addressing contamination they did not cause.	Monitor	Signed into law as Act 125.
S.B. 1350	<b>Kaka'ako Community Development District.</b> Increases the reserved housing requirement for a development in the Kaka'ako Community Development District, mauka area, for lots 3 acres or more to 25% of the countable floor area of the development. Report to Legislature by 2017 on reserved housing program in Kaka'ako.	Monitor	Notice of intent to veto.



## HIGHLIGHTS: (BUSINESS)

Bills signed /unsigned by Governor into law or pending veto.

BILL #:	SUMMARY: (Section of bill w/ a position)	POSITION:	STATUS:
H.B. 31	<b>Employee Credit History.</b> Bars an employer from using a person's credit history or credit report to discriminate in hiring or termination, unless a bona fide requirement of employment or under federal or state law.	N/A	Notice of intent to veto.
H.B. 262	<b>Insurance Fraud.</b> Authorizes the State's Insurance Fraud Investigations Unit to prevent, investigate and prosecute, both civilly and criminally, all types of insurance fraud except worker's compensation.	N/A	Signed into law as Act 149.
H.B. 267	<b>Rental Car Transport.</b> Promotes the interisland shipment of rental cars by easing documentation requirements for these vehicles when they are transported by any water carrier.	N/A	Signed into law as Act 47.
H.B. 319	<b>Family Leave.</b> Requires employers to post notice of employees' entitlement to family leave.	N/A	Signed into law as Act 48.
H.B. 690	<b>Health Coverage; Part-Time Employees.</b> Requires health insurers to offer the same coverage to part-time employees as full-time employees under a group health plan, with the cost of premiums to be borne by the employee.	N/A	Notice of intent to veto.
H.B. 952	<b>Labor Unions; Private Sector.</b> Allows workers to organize a union when a majority signs union cards at companies with annual gross revenue of \$5 million or more. The method is an alternative to secret ballot elections.	N/A	Notice of intent to veto.
S.B. 35	<b>Mortgage Rescue Fraud Prevention Act.</b> Amends definition of "distressed property consultant" to add public accountants and certified public accountants to the list of exclusions.	Monitor	Signed into law as Act 73.
S.B. 695	<b>Workers Compensation.</b> Requires the employer to continue medical services to an injured employee despite disputes over whether treatment should be continued, until the Director of Labor and Industrial Relations makes a decision.	N/A	Notice of intent to veto.
S.B. 1218	<b>Mortgage Loan Originators.</b> Allows the commissioner of financial institutions to regulate, license, examine, and enforce laws regulating mortgage loan originators. Exempts mortgage loan originators from chapter 454, HRS, relating to mortgage brokers and solicitors.	Monitor	Notice of intent to veto.
S.B. 1665	<b>Worker Retraining.</b> Establishes a program at community colleges to retrain and cross-train workers to help them adapt during the economic downturn.	N/A	Notice of intent to veto.



## HIGHLIGHTS: (MISCELLANEOUS)

Bills signed /unsigned by Governor into law or pending veto.

BILL #:	SUMMARY: (Section of bill w/ a position)	POSITION:	STATUS:
H.B. 135	<b>State Insect.</b> Designates the Kamehameha Butterfly as the state insect.	N/A	Signed into law as Act 15.
H.B. 274	<b>Patriot Day.</b> Establishes September 11 <sup>th</sup> as Patriot Day.	N/A	Signed into law as Act 14.
H.B. 615	<b>Electronic Harassment.</b> Extends the offense to all forms of electronic communication to prevent people from being harassed through new technology.	N/A	Signed into law as Act 90.
H.B. 981	<b>Ignition Interlock.</b> Requires drivers arrested for drunken driving to have ignition interlock devices on their vehicles to check for alcohol.	N/A	Signed into law as Act 88.
H.B. 986	<b>Green Schools.</b> Requires construction and renovation of public school facilities to meet the Collaborative for High Performance School Standards. Requires replacement of old portable building with high performance classrooms.	N/A	Notice of intent to veto.
H.B. 994	<b>Spaceport.</b> Provides money for the application for a spaceport license with the Federal Aviation Administration to establish space tourism in Hawai'i.	N/A	Enrolled to Governor.
H.B. 1057	<b>College Savings.</b> Allows family members and friends to contribute to state-established college savings accounts for children that are currently limited to contributions from account owners.	N/A	Signed into law as Act 91.
H.B. 1504	<b>Universal Healthcare.</b> Establishes the Hawai'i Health Authority to develop a comprehensive plan to provide universal healthcare.	N/A	Notice of intent to veto.
H.B. 1512	<b>Pet Protection.</b> Expands temporary restraining orders to include restrictions on visiting, threatening, or disposing of pet animals.	N/A	Signed into law as Act 159.
S.B. 714	<b>Zipper Lanes.</b> Allows all motor vehicles, regardless of number of person on board. To use the HOV or zipper lanes when one or more lanes of traffic have been shut down by law enforcement or emerge service personnel.	N/A	Signed into law as Act 72.
S.B. 1202	<b>State Hybrid Vehicles.</b> Establishes the development of energy efficient vehicles as a state policy goal.	N/A	Signed into law as Act 156.
S.B. 1673	<b>Public Hospitals.</b> Authorizes public hospitals in the Hawai'i Health Systems Corporation to privatize and amend maintenance of service requirements to become more financially competitive.	N/A	Notice of intent to veto.
S.B. 1677	<b>Ceded Lands.</b> Requires a two-third vote of the Legislature before the State sells ceded lands.	N/A	Enrolled to Governor.