



State Senator Sam Slom

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Hawaii Kai Neighborhood Board #1 • Hahaione Elementary School Cafeteria • 7:00 PM • Tuesday, May 26, 2009.

Legislature Closes With New Tax Increases



Governor Lingle Vetoes Tax Bills

Governor Lingle holds up a tax bill that she vetoed on May 6 at a public and media event held at the State Capitol. She vetoed 4 bills that included those to increase income taxes, the hotel room tax, the conveyance tax and a tobacco products tax not related to cigarettes. Representatives Gene Ward, Cynthia Thielen, Lynn Finnegan, Kym Pine, Barbara Marumoto, Corinne Ching joined Senator Fred Hemmings and I in applause after the Governor vetoed the tax bills. Unfortunately, the majority party who want to tax you more came back on the last day of the session to override her vetoes by more than a 2/3 vote in both houses. About a thousand people were at this event.

increase. Governor signed cigarette tax into law; vetoed tobacco products tax bill; legislature overrides veto. The 2 bills which are now law inadvertently created a tax holiday for some types of tobacco purchases from July 1 to September 2009.

I also voted **NO** on the following tax bills:

The Hawaii State Legislature did a great job of taking away more of your money this year than it ever has in recent times. With conference committees over and the session extended to Friday, May 8, tax increase bills were high on the majority party's agenda to maintain government and public labor union coffers at your expense.

Bills that will increase the income tax on higher income brackets, and affect small business, the conveyance and the hotel room tax are among the dozens of tax increase bills that passed as the 2009 session came to an end. Four tax increase bills that passed final reading on April 22 were vetoed by Governor **Linda Lingle** during a public press event held on the capitol steps May 6. About 1,000 were in attendance. The vetoed bills which were overridden by more than 2/3 of the majority party in the legislature on the last day included these that I initially voted "no" on:

SB 1111— raises the Transient Accommodations Tax; Vetoed by Governor Lingle, overridden by legislature.

HB 1747—Increases the income tax for higher tax brackets of over \$100,000. Vetoed by Governor Lingle; overridden.

HB 1741— increases the conveyance tax on some property transactions. Vetoed by Governor Lingle; overridden.

HB 1744—This bill tacks a surcharge on top of the Transient Accommodations (Hotel) Tax up to 5%. Vetoed by the Governor and overridden by the Legislature.

HB 1175 & HB 895 — Cigarette and tobacco products tax

HB 1271 — This bill will tack on a \$1.05 per barrel tax on petroleum products. The tax is supposed to fund local food and energy development. The per barrel tax will be passed on to consumers. Expect higher gasoline prices.

HB 1405 — This is the "streamline tax" bill which will allow the state to tax purchases made from vendors on the internet and mail order catalogs.

HB 371 — Increases the tax on naphtha fuel used for electricity production from 1 cent per gallon to 2 cents per gallon.

SB 199 — This will drastically reduce **Act 221** tax credits and is vigorously opposed by the tech sector industries.

HB 200 — I also voted no on the \$10.8 billion State Budget which does not adequately address Hawaii's declining finances with tax, salary and personnel cuts.

HB 900— I also voted no on the Office of Hawaiian Affairs budget which still depends on allocations from the State General Fund despite the office bringing in their own revenues and sitting on a \$300 million trust fund.

Tax bills that died this session include the following:

SB 1346 — General Excise Tax increase.

SB 1611 — Highways improvement act which would have increased the gasoline tax, vehicle weight and registration fees, car rental surcharge and started a "mile traveled tax" pilot program.

HB 1605 — County sales tax of 1% in addition to the GET.



Workmen prepare to transport the giant state seal medallion to the work area behind the capitol where they will be cleaned and restored. The medallions that were hanging on each side of the capitol are being worked on. The Dept. of Accounting and General Services will also be tinting the windows of the capitol this summer. Meanwhile the \$1.5 million atrium mosaic restoration continues in the capitol under the tent that has been up since last October. Work on the restored mosaic is expected to be done by July.

'Karen's Law' Bill Dead

HB 819 (Karen's Law) which charges minors who commit murder as an adult died during the conference committee process on May 1. The amended bill would have only applied to first degree murders committed by a juvenile. I supported a broader version of the bill that addressed second degree murder and other heinous crimes. Fortunately for the Karen Ertell family, the alleged juvenile charged with her murder will be tried as an adult after a lengthy process conducted by the courts.

State Still Collecting 911 Tax

Taxpayers were angered to find out that the State is still collecting 66 cents per month for the Cell Enhanced 911 System. The system is mostly finished, yet the tax is collected. To add insult to injury, the legislature raided the \$25 million special fund leaving it only \$9 million. I voted against this raid as well as the creation of the tax and special fund years ago. I also introduced a bill to end this tax.

Shark Tours Stir Possible Ban

A recent scientific study of shark-cage diving tours in Hawaii waters has indicated that the operations pose little risk to public safety. The study conducted by the Hawaii Institute of Marine Biology indicated that sharks stay far out at sea and don't follow boats back to the dock. Our community disagrees.

Because a commercial shark tour operator had wanted to run its business from Koko Marina harbor, the neighborhood board and some legislators have proposed a state-wide ban on shark feeding tours. It was also indicated that it is illegal to feed sharks up to 200 miles out at sea.

Islam Day Reso Stirs Controversy

The Senate passed HCR 100 that proclaims Sept. 24, 2009 as Islam Day. The resolution cites the Islamic faith for its scientific, cultural and artistic contributions to the world. The measure sparked a heated debate on the Senate floor before passing with a vote of 22 to 3 on May 7, with Senators Hemmings, Green and I voting "no". The House had voted on the resolution unanimously. Terrorism perpetuated by 10% of the Islamic population was cited in my opposition to the measure. Since the resolution's passage Hawaii has gotten negative publicity from the national media including Fox News and Sean Hannity. Dozens of emails have come into my office condemning HCR 100.

State & Community News Briefs

- Congratulations to Kaiser High School's seniors who will be graduating on Friday, June 5, 2009. I'll be in attendance at the ceremonies.
- The City & County of Honolulu will be replacing 144 street lights along Lunalilo Home Road from Kalaniana'ole Highway to Koamano Street. The cost for the 144 lights will be \$1.96 million. The project is scheduled for completion by March 2010.
- I am against the proposed \$250 fee (Bill 42) to be levied against non-county entities that appear on a neighborhood board agenda for more than 4 times a year. The cost would be prohibitive to many organizations that wish to participate in the taxpayer funded neighborhood board meetings and process. It is also a violation of first amendment rights.
- The divisive Civil Unions bill (HB 444) is dead for this year. Through a series of end of Senate floor motions, we ended up voting on this measure 3 times... once to pull the bill to the floor (I voted no), once to approve a floor amendment (I voted yes on the amendment which forced the bill into 48 hour notice on the second to last day of session) and once to pass the bill on second reading (I voted no). Got it? No—Yes—No. I am still opposed to HB 444. Questions? Call me.
- Since the 2009 session ended with a 2 day extension on May 8, the Governor now has a timetable in which to take action on more than 150 bills. She has to notify the legislature by June 30 on intent to veto. A bill becomes a law without her signature if not signed or vetoed by July 15. A special session is possible. Sixty-seven new bills have become law so far.

SENATE COMMITTEES

Judiciary and Government Relations (JGO) • Labor (LBR)
Economic Development & Technology (EDT)
Higher Education (HRE) • Tourism (TSM)
Transportation, International Affairs & Intergov. Affairs (TIA)

DATES TO REMEMBER

June 11, 2009 — Kamehameha Day (State Holiday)

Sen. Slom & Sen. Hanabusa on Rick Hamada Radio Show
Thursday mornings 7:00 to 8:00 a.m. | KHVH AM 830 Radio