

SCRp. 256-70 Judiciary on **H. B. No. 1736-70**

The purpose of this bill is to amend Section 635-26, Hawaii Revised Statutes, by reducing the number of jurors in eminent domain proceedings from twelve to six.

This measure is endorsed by both the Administration and the City Council in the interest of time and expense, considering the large number of condemnation cases in which both the State and City become involved annually.

There is nothing, it seems, particularly magical about the number twelve, statutes prescribing that usual number of jurors being vestiges of some medieval common law concept. Several states have, for years, provided for a lesser number of jurors, generally in other than criminal cases.

Your Committee feels that whatever vested interests are left for property owners to assert in the face of eminent domain proceedings will not be so substantially impaired as to infringe upon their constitutional guarantee of just compensation where the same is subject to determination thereof by a number of jurors less than twelve. However, your Committee believes that such a determination by a lesser number should be at the option of the parties, particularly at the option of the party whose rights are affected thereby. Your Committee, therefore, recommends that **H. B. No. 1736-70** be amended to provide that the same be discretionary rather than mandatory, and amended the bill accordingly. As such, the number of jurors in eminent domain proceedings may be six; or, in the absence of a stipulation between the parties to that effect, the number shall be twelve.

Your Committee is in accord with the intent and purpose of **H. B. No. 1736-70** as amended in the form attached hereto as **H. B. No. 1736-70, H. D. 1**, and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 257-70 Judiciary on **H. B. No. 1800-70**

The purpose of this bill is to make section 571-61(b)(1)-(2) of the Termination Statute consistent with section 578-2(b)(1)-(6) of the Adoption Statute.

Act 183, Session Laws of Hawaii, 1969, eliminated the concept of "abandonment" from the Adoption Statute and replaced the same with two alternative factual situations, satisfactory proof by a petitioner of either of which would permit the Court to grant an adoption notwithstanding the parent's refusal to consent, specifically: failure to communicate with the child for a period of two years when able to do so, or failure to support the child for at least one year when able to do so as required by law or judicial decree (section 578-2(b)(2), which also applies to subsections (1) and (3)-(6)).

On the other hand, termination proceedings, which are generally used to facilitate adoptions, authorize the Family Court under section 571-61(b)(1)-(2) in its present form, to terminate the parental rights of those who have abandoned a minor child for a period of not less than six months. The amendment of said section brings it into conformity with the Adoption Statute, therefore precluding use of termination proceedings to avoid compliance with the provisions of the Adoption Law.

Your Committee caused a typographical error to be corrected on page 4 at line 3 referring to termination of parental rights where the minor has been neglected, ill-treated or abused to such an extent that judicial action has been taken pursuant to section 571-11(2)(A) (vice section 571-2(A) as originally drafted).

Your Committee is in accord with the intent and purpose of **H. B. No. 1800-70** as amended in the form attached hereto as **H. B. No. 1800-70, H. D. 1**, and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee except Representative Oshiro.

SCRep. 258-70 Government Efficiency and Public Employment on **H. B. No. 1304-70**

The purpose of this bill is to allow patient employees at Hansen's Disease Hospitals to use services with any state department or agency not exceeding 5 years, which has not been credited under the State retirement system in lieu of service with the Department of Health to satisfy the requirements of allowing patient employees to retire after 20 years or more of service with the Department of Health. However, before such service with other agencies is accepted, authentication by official records is required.

Your Committee has also amended the bill by eliminating that provision relating to patient employees having less than 20 years of service with the Department of Health could receive a pension reduced proportionately. The provision was eliminated since it was felt that it is not necessary and is covered under other sections of the Hawaii Revised Statutes. Your Committee has also included the requirement of authentication of official records where service is purported to have been performed.

Your Committee has converted the form of the bill to comply with House Rule 24(2).

Your Committee is in accord with the intent and purpose of **H. B. No. 1304-70**, as amended herein, and recommends that it pass second reading and be placed on the calendar for third reading in the form attached hereto as **H. B. No. 1304-70, H. D. 1**.

Signed by all members of the Committee except Representatives Takamine, Meyer and Oda.

SCRep. 259-70 Government Efficiency and Public Employment on **H. B. No. 1314-70**

The purpose of this Act is to include any group benefit plan in the payroll deductions authorized to be made from compensation of State and County employees on behalf of employee organizations.

Section 40-54, Hawaii Revised Statutes

directs the comptroller of the State and the auditors of its political subdivisions to deduct from employees' compensation, if authorized by employees in writing, membership dues and group insurance premiums to be paid to employee organizations designated by the employees.

The proposed amendment to Section 40-54 adds "contributions for other group benefit plans" to the deductions already specified, thereby broadening the benefits authorized to be paid for by an employee, through payroll deduction, to his employee organization.

Your Committee has converted the form of the bill in compliance with House Rule 24(2).

Your Committee is in accord with the intent and purpose of **H. B. No. 1314-70** as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 1314-70, H. D. 1** and be placed on the calendar for third reading.

Signed by all members of the Committee except Representatives Meyer and Oda.

SCRep. 260-70 Finance on **H. B. No. 1870-70**

The purpose of this bill is to effect certain adjustments in the compensation of public officers and employees to assure government employees fair and reasonable compensation for the work they perform and in a manner consistent with competitive positions within the community. This bill adopts the recommendations of the Conference of Personnel Directors (hereafter called the Directors) relating to adjusting the wage board schedule to reflect the findings of the wage board survey conducted pursuant to section 77-5; changing the timetable set by law for completing the wage board survey and clarifying the law on the payment of increments. In addition, this bill provides that the average of prevailing wages be reflected at step two of the schedule instead of step three and that the pay, qualification and appointing authority of the family court referees be adjusted.

Your Committee concurs fully with the amendments, observations and recommendations of your Committee on Government Efficiency and Public Employment as set out in Standing Committee Report No. 227-70 as follows:

“Reflecting the average of prevailing wages at step two instead of step three. After conducting a comprehensive review of the blue-collar compensation plan, your Committee finds that the plan is still in its development stages with several major problems unresolved.

“The blue-collar wage plan was first enacted in 1967. A schedule, separate from the white-collar schedule, was adopted for several reasons:

(1) Comparisons of government blue-collar wages and community wages consistently demonstrated that government blue-collar wages were relatively low, particularly at the entry level;

(2) Publicity about increases in construction wages and other blue-collar wages led to comparison with government blue-collar wages but there was no way to recognize and pay prevailing wages under the SR schedule;

(3) Adjustments for blue-collar workers within the SR schedule would have disrupted relationships with other non-blue-collar classes in the SR schedule;

(4) The success and acceptance of the federal wage board system for blue-collar workers demonstrated the advantages of a separate salary schedule for blue-collar workers;

(5) In private industry, there is a pattern of having separate schedules for blue-collar and clerical workers.

“Act 307 as enacted in 1967 provided for biennial wage adjustment studies and an eight-step schedule with five increment steps and three longevity steps. It also provided that the average of prevailing wages would be reflected at step two of the schedule. In making the wage survey, construction wages and wages of other govern-

mental jurisdictions were to be excluded.

“The federal wage board system was not followed in two respects: (1) Act 307 called for biennial reviews instead of the annual surveys carried out under the federal wage board system and (2) Act 302 incorporated a total of eight steps in order to ease problems of transition from the ten steps of the SR schedule to the new blue-collar schedule.

“A wage survey was conducted pursuant to Act 302 and in 1968 a blue-collar schedule was presented to the Legislature. Recognizing that the high cost of the proposed schedule and after reviewing many plans to revise the schedule, the Legislature passed Act 72 in 1968. This Act:

(1) reduced the blue-collar schedule from eight steps to four steps;

(2) provided for the inclusion of federal wages in the surveys of prevailing wages;

(3) made step three of the wage board schedule the step at which prevailing wages are reflected; and

(4) adopted a schedule which provided wages that were generally above the prevailing wage as determined by the 1967 survey.

“In 1969, since the conversion process to the four-step wage board schedule resulted in many old-time employees receiving only a token increase, a justifiable fifth step was added to the schedule by Act 127.

“Pursuant to the provisions of the blue-collar compensation law, the Directors conducted a wage survey in late 1967 and presented to the 1970 session a new blue-collar schedule to be implemented on July 1, 1970. Under the Directors’ proposal, 5,278 employees out of a total of 7,734 employees or 68 per cent of the blue-collar employees would receive no adjustment during the fiscal year 1970-71. Had the Directors pursued the strict policy of prevailing wages, these persons would have fared even worse, with employees in Wage

Board 1 taking a 7.7 per cent reduction in pay, persons in Wage Board 2 taking at 6.2 per cent reduction in pay, persons in Wage Board 3 taking a .5 per cent reduction in pay and persons in Wage Board 9 taking a .9 per cent reduction in pay. However, the Directors did not propose any reduction in pay but recommended that the above persons retain their present salary. This position was explained by the Directors in its **Recommendations on the Blue Collar Pay Plan for the State of Hawaii and its Political Subdivisions** as follows:

“The factors provided by law for the construction of the Wage Board Schedules have been consistently amended since its original adoption by Act 302, S.L.H. 1967, i.e., deletion of the number of steps and wage board grades, modification to the “straight line”, addition of steps, inclusion of industrial categories, etc., so that it is evident that firm policies on a Blue Collar Compensation Plan have not been established. Moreover, the Compensation Plan has only undergone a single review so that the aforementioned changes coupled with this short experience in this area indicates a course of minimal change.

So as to prevent serious disruptions and controversy regarding the Blue Collar Compensation Plan and mindful of the aforementioned changes, the Conference recommends adoption of the attached Wage Board Schedules in which the wage rates for Wage Board Grades 1, 2, 3 and 9 in the Wage Board Schedules have not been changed from that of the existing (1968) Wage Board Schedules.

This recommendation also appears to be in concert with prior Legislative policies wherein it has consistently acted to protect employees from adverse salary actions in considering salary proposals.’

“The possible pay reductions, the Directors’ action and their explanation led your Committee into a detailed study of the blue-collar compensation plan which produced the following observations:

(1) the possible pay reductions at WB 1, 2, 3 and 9 was primarily a result of the 1968 schedule being above the prevailing wage as determined by the 1967 survey and the inability of the prevailing wage in two years to catch up and exceed the rates found in the schedule.

(2) there is a time lag between the conduct of the wage survey and the implementation of the new schedule. The proposed July 1, 1970 schedule is based on information collected in July of 1969. This time lag unnecessarily prevents the compensation plan from being a prevailing wage plan.

(3) the reflection of the average of prevailing wages at step three results in new employees being hired at a rate 10 per cent below the prevailing wage. This factor plus the time lag mentioned in (2) above results in many employees being paid less than the prevailing wage.

(4) blue-collar wages under this system are still substantially below the rates paid by the federal government.

(5) in the Committee’s discussion of the survey techniques and the utilization of collected wage data, it became apparent that there are many variables in the conduct of the survey which should be examined more carefully. For example the Directors used the “Method of Least Squares” with a straight line in constructing the Wage Board Schedule. The U.S. Department of the Navy and the Air Force use a straight line with one or more “kinks” or “elbows”. The “Method of Least Squares” using a non-linear line could also have been utilized. The lack of classes in certain levels, especially the lower and the higher pay levels had the tendency of influencing the slope of the line. Similarly the inclusion of the federal government in the survey had the effect, especially where that jurisdiction is the major employer, to raise the slope of the line. The lack of time and money prevented the Directors from conducting a thorough wage survey. Since the needed data could not be tabulated with the appropriations granted and in the time granted, the Directors had to rely on existing data which were not always appropriate to the survey

needs.

“In view of these observations, your Committee recommends the following:

(1) reflect the average of prevailing wages at step two instead of step three. This will result in a greater number of employees being paid at or above the prevailing wage. It will also provide a 5 per cent adjustment to all blue-collar employees including the 5,278 employees who under the Directors’ recommendations would not have any adjustment in the next fiscal year. Your Committee concurs with the Directors that these employees should not be adversely affected because in the short experience of this plan, firm policies have not been established. By changing the prevailing wage step to step two, serious disruptions and controversy can be avoided while a comprehensive review of the blue-collar compensation plan is conducted as requested below.

(2) the Directors are requested to review the following areas and to submit its findings and recommendations on these topics along with its report setting forth the compensation plan and wage board schedule for fiscal year 1972-73:

Prevailing Wage Concept

Is the present modified prevailing rate plan effective? Is it realistic for purposes of recruiting and retaining qualified blue-collar employees? Are there serious deficiencies, technical or otherwise, that require immediate attention? If corrective actions are necessary, what are the Directors’ short and long range proposals in this regard?

Survey Techniques and Utilization of Collected Wage Data

Is the present straight line method of calculating the prevailing rates equitable? Can the survey samples be made more stable whereby the exclusion or inclusion of one company or class will not adversely affect the survey results? Should more classes be included in the survey especially for levels that are represented by only one

or very few classes? Should surveys be conducted on a biennial or annual basis for salary adjustment? What are the money and time requirements for conducting a wage survey which would more closely reflect prevailing wages in the community?

“Your Committee recommends that the sum of \$1,795,802 be appropriated for the purposes of this Act to be allocated in the following manner:

Jurisdiction	Amount
State	\$1,303,288
City and County of Honolulu	352,701
County of Hawaii	57,059
County of Maui	49,197
County of Kauai	33,557
Total	<u>\$1,795,802</u>

“Of the \$1,303,288 appropriated for State employees, \$331,744 is to defray the repricing and adjustment costs for State general fund positions as recommended by the Directors. No appropriation is made for the repricing costs of the county jurisdictions since under the blue-collar compensation law, pay adjustments should have been anticipated for fiscal year 1970-71. Recognizing, however, that the changes in the prevailing wage step will result in substantial salary requirements, your Committee proposes that in order to aid the counties, sufficient funds be appropriated to cover one-half of the first year costs thereof except for the blue-collar employees of the Board of Water Supply of the City and County of Honolulu. The latter is expected to absorb the resultant added cost. It is the intent of your Committee that State support to the counties for the increase terminate on December 31, 1970.

“The Department of Budget and Finance is expected to allot the funds appropriated by this Act only as may be necessary, with surpluses being returned to the general fund as of June 30, 1971.

“Changing the pay, qualification and appointing authority of family court referees. Your Committee has made three changes with regard to family court referees. In order to create a uniform system of appointment within the judiciary,

the Chief Justice is made the appointing authority for referees instead of the judge of the family court. The Chief Justice is, under the Constitution, the administrative head of the court. As such, he assigns judges from one circuit court to another for temporary services. He designates the family court judge of the first circuit. He appoints the district magistrates and the administrative director of the courts. Accordingly, your Committee feels he should be the appointing and replacing authority with regard to family court referees. This change has been recommended by the Interim Committee on the Judiciary. The qualification of a family court referee is amended to require that the referee be a licensed attorney. The pay of the referee is set by this bill at the salary of a full-time district magistrate. Under existing law, your Committee believes that the two positions have comparable responsibilities and therefore, no fruitful comparison can be made with regard to the relative importance of the two positions involved. Accordingly, both positions are paid equally under this bill.”

The appropriation recommended by the Committee on Government Efficiency and Public Employment has been reviewed and found to be sufficient for the changes recommended herein.

Your Committee is in accord with the intent and purpose of **H. B. No. 1870-70, H. D. 1**, and recommends its passage on third reading.

Signed by all members of the Committee.

SCRep. 261-70 Judiciary on H. B. No. 1811-70

The purpose of this Act is to allow circuit court judges, not unlike Supreme Court justices, a law clerk, provided that in the circuit court he shall be employed in lieu of, and have the powers and duties of, a court officer and bailiff.

Your Committee on Judiciary, just as your Interim Committee to improve the Structure and Operation of the Judicial Branch, as it expressed in **Special Comm.**

Rep. No. 5, feels that at the circuit court level, “the calendar has increased sufficiently, the legal issues have grown more complex and the administrative responsibilities have increased such that the provision of a law clerk for each circuit court judge” should be provided for.

Testimony received from the Administrative Director of Courts is to the effect that reclassification of the bailiff’s position to that of a law clerk will be gradual, to commence only as vacancies occur.

Your Committee is in accord with the intent and purpose of **H. B. No. 1811-70**, and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee except Representative Oshiro.

SCRep. 262-70 Public Utilities on H. C. R. No. 21

The purpose of **H. C. R. 21** is to request the Public Utilities Commission to urge all fleet operators to convert to liquefied propane gas within two years. The Concurrent Resolution also requests the Public Utilities Commission to study the effectiveness of such conversion and to report its findings to the Legislature.

Your Committee finds that automobiles, buses, trucks, aircraft and other vehicles which frequently are owned in fleet quantities are major contributors to Oahu’s air pollution problems. It is of utmost importance to develop practical and feasible preventive measures to combat air pollution. One such measure is the use of liquefied propane gas instead of gasoline in internal combustion engines.

Your Committee finds that the use of liquefied propane gas reduce significantly both carbon monoxide and nitrogen oxide emissions. Further, hydrocarbon emissions through evaporation are significantly reduced because in an LPG fueled vehicle the fuel tank is completely sealed.

Your Committee is in accord with the intent and purpose of **H. C. R. 21** and

recommends its adoption.

Signed by all members of the Committee.

SCRep. 263-70 Public Utilities on H. C. R. No. 23

The purpose of **H. C. R. No. 23**, as amended herein, is to request all electric companies in Hawaii, the Public Utilities Commission, the Department of Agriculture and the Hawaii Farm Bureau to study the feasibility of establishing rate schedules which will encourage the use of electricity for agricultural purposes.

Your Committee finds, after hearing testimony from representatives of the Hawaiian Electric Company and the Public Utilities Commission, that there may be significant problems of rate discrimination among various industries if a separate rate schedule is established for agriculture. Accordingly, your Committee feels that a comprehensive study of the feasibility of the establishment of an agricultural rate is necessary before any direct request for the establishment of such a rate is made to the electric companies. Therefore, the title of this Concurrent Resolution has been amended to read as follows: "HOUSE CONCURRENT RESOLUTION REQUESTING ALL ELECTRIC COMPANIES IN HAWAII, THE PUBLIC UTILITIES COMMISSION, THE DEPARTMENT OF AGRICULTURE AND THE HAWAII FARM BUREAU TO STUDY THE FEASIBILITY OF ESTABLISHING RATE SCHEDULES WHICH WILL ENCOURAGE THE USE OF ELECTRICITY FOR AGRICULTURAL PURPOSES."

Further, the Concurrent Resolution has been amended to request all interested parties to report the results of the requested study to the Legislature twenty (20) days prior to the convening of the Regular Session of 1971.

Your Committee is in accord with the intent and purpose of **House Concurrent Resolution No. 23, H. D. 1**, as amended herein, and recommends its adoption in the

form attached hereto as **House Concurrent Resolution No. 23, H. D. 2**.

Signed by all members of the Committee except Representative Oshiro.

SCRep. 264-70 (Majority) Higher Education on H. B. No. 1562-70

The purpose of this bill is to make an appropriation to assist the training of National Teacher Corps interns at the College of Education of the University of Hawaii, including but not limited to supplementary cost-of-living allowances for the interns.

The Teacher Corps program in Hawaii comprises 24 interns currently living and working in communities on the Waianae Coast of Oahu. This program is Federally financed, and the local interns are paid \$75.00 per week, the standard pay for all interns regardless of where they are stationed. The cost of living in Hawaii is approximately 23% higher than that of most mainland communities, and thus the expenses of Hawaii's interns are proportionally higher than their mainland counterparts who receive the same \$75.00 per week. According to statistics available from Model Cities, the income of the Hawaii Teacher Corps interns is below the poverty level established for the community. The interns have appealed to the Federal Government for a cost-of-living allowance supplement, but this has not been granted.

This Committee is particularly concerned with the continuation of this vital program, which trains teachers to deal with the specific problems of Hawaii's disadvantaged children. The benefits which the State derives from these interns are both real and potential. Currently, as part of their learning program, the interns provide special enrichment and remedial programs for Waianae area children. Also, due to their special interest and training in the field of educating the disadvantaged, these interns are likely to remain in the Waianae area as employees of the Department of Education, thus providing the specially trained teachers so desperately needed in an area which normally experiences an

unusually high turnover of teachers annually. These benefits to the State are considerable, and it is the opinion of this Committee that it is therefore reasonable for the State of Hawaii to help interns meet the high living cost through a State supplement to their presently insufficient salaries.

In addition to the cost-of-living allowance supplement, the Hawaii Teacher Corps program could be significantly enhanced by modest financial provisions in the following areas:

1. Hire four community counselors, one from each of the communities that the interns service, to be attached to the intern team and serve as a liaison between the team and the community so that both the interns and the community might receive maximum benefits from the Teacher Corps program. Four community counselors at \$50.00 per month for 11 months, total: \$2,200.

2. Hire regular teachers during the pre-service period to acquaint interns with school problems and operations, and to help the interns integrate fully and rapidly into the school situation. These teachers could continue as advisors during the inservice period, themselves benefitting from the special educational training that the interns are receiving. Six teachers, one from each grade to receive \$25.00 per month over their regular salary during the inservice period, and \$600.00 per month during the preservice period, total: \$5,100.00.

3. Provide each team with \$1,000 during the Inservice to pay for instructional materials for special projects, such as bus fare, film, camping trips, tickets to ball games, etc. \$1,000 for each of four teams, total: \$4,000.

4. Provide each team with \$500.00 for community-based education to stimulate community interest in school. \$500.00 for each of four teams, total: \$2,000.

5. Supplement cost of living by an additional 20% cost-of-living allowance, which would be an approximate increase of

\$60.00 per intern per month. 24 interns x \$60.00 per month, total: \$17,280.00.

The total appropriation recommended is \$30,580, which this Committee believes to be a bargain in return for the benefits received.

In recommending State support for the Teacher Corps program in Hawaii, this Committee would like to reiterate its concern for the continuation of this program, which can be so vital to our disadvantaged communities. This Committee is aware, however, that the request for an additional two year Teacher Corps program, which would have started in July 1970, and run concurrently with the present program plus an additional year, has been denied by the Federal Government. This Committee would therefore, strongly urge the College of Education of the University of Hawaii to prepare a new application for the commencement of a similar Teacher Program coincident with the July 1971 termination date of the present program.

Your Committee is in accord with the intent and purpose of **H. B. 1562-70**, as amended herein and recommends its passage on second reading and its referral to your Committee on Finance in the form attached hereto as **H. B. 1562-70, H. D. 1**.

Signed by all members of the Committee except Representative Roehrig. Representative Saiki did not concur.

SCRep. 265-70 Public Health, Youth and General Welfare on **H. B. No. 1970-70**

The purpose of this bill is to transfer the function of issuing Certificates of Birth, presently placed in the Office of the Lieutenant Governor, to the Department of Health.

The function of issuing Certificates of Hawaiian Birth concerns basically the investigation and validation of applications of persons who claim Hawaiian birth but who have no records of such birth on file with the Department of Health. These Hawaiian birth certificates are important to the persons concerned for such things

as establishing social security eligibility and passports. In many cases the persons involved are past middle age, were born at home or in some remote area and the documentation, such as school and church records or registry at the Japanese Consulate, are old and often missing. It is important that investigations be carefully conducted to prevent the possibility of fraud.

Since the applications for Certificates of Hawaiian Birth are handled by the Lieutenant Governor's Office and all other birth registrations in Hawaii are handled through the Department of Health, Hawaii is the only state in the Union that has the responsibility for birth registration placed in two separate State agencies. This bill would logically centralize responsibility for the registration of all births occurring in Hawaii, both on a current and delayed basis, in the Department of Health.

In order to meet the increased workload in the Department of Health resulting from the transfer of the Hawaiian Birth Certification Program, the following resources should be transferred to the Department of Health from the Office of the Lieutenant Governor:

1) Three positions — a Hearings Officer (SR-21), an Assistant (SR-15) and a Hearings Reporter-Secretary (SR-14).

2) Current expenses presently budgeted in the Office of the Lieutenant Governor to carry out the Hawaiian Birth Certification Program.

3) Records, files and other related equipment associated with the program.

As presently worded, this bill would accomplish the transfer of the Hawaiian Birth Certification Program to the Department of Health by amending the definition of the term "public health statistics" in the Public Health Statistics Act to include Hawaiian birth certifications. However, this bill does not amend Part 2 of Chapter 338, Hawaii Revised Statutes, which authorizes the Lieutenant Governor to issue the Certificates of Hawaiian Birth. Your Committee has thus amended Part 2 of

said Chapter 338 to provide that the Department of Health shall carry on the functions of issuing Certificates of Hawaiian Birth.

Your Committee is in accord with the intent and purpose of **H. B. 1970-70**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. 1970-70, H. D. 1**, and that it thereafter be placed on the calendar for third reading.

Signed by all members of the Committee except Representative Roehrig.

SCRep. 266-70 Judiciary on H. B. No. 1869-70

The purpose of this Act is to expand the jurisdictional authority of district magistrates in cases involving multiple defendants. There is no provision under the present law covering such eventualities; a strict reading of section 604-7, Hawaii Revised Statutes, which the bill amends, provides that:

"A summons or other writ issued by a magistrate of a district court may be served . . . throughout the judicial circuit in which the district court is situated; provided [the same] is issued by the magistrate of the district court of the district wherein the defendant resides."

H. B. No. 1869-70 expressly limits the above provision to cases wherein there is but one defendant, and adds further that in cases where there is more than one defendant:

"[A] summons or other writ may be issued by the magistrate of the district court of any district wherein any defendant resides and may be served . . . upon all defendants named in such summons or writ."

Thus, the district magistrates of each district may acquire jurisdiction over multiple defendants who reside in diverse and different districts, but who are involved in a civil action or alleged criminal violation which arises out of the same basic facts or circumstances, provided one of them

resides in the district in which the court is situated. This extension of the present law, under which a defendant may proclaim immunity from the order of a magistrate issuing the same presiding in a district other than the one in which he resides, allows for a consolidation of cases in the interest of time and expense where there is more than one defendant regardless of where they reside, provided that the summons or other writ is issued by the magistrate of a district wherein any single defendant resides and may be served upon all the defendants named therein.

Furthermore, the not infrequent situation wherein multiple defendants reside in different districts within the county, compels the plaintiff(s) to institute an action in the circuit court or separate actions in appropriate districts, which is not only more costly and time consuming for all parties concerned, but may result, in some situations, in the award of varying judgments inconsistent one with the other. Such inadvertent inequality of justice among parties, be they plaintiff(s) or defendant(s) may be eliminated by causing them to litigate the matter for adjudication in one action, while improving the efficiency of the court.

This bill is supported by the judiciary branch as a gradual phasing in of the concept of a single district court for each county, provided for in **H. B. No. 787, H. D. 1**, in accordance with the recommendation of your Interim Committee to Improve the Structure and Operation of the Judicial Branch as set forth in **Spec. Com. Rep. No. 5**.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 1869-70**, and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 267-70 Judiciary on **H. B. No. 1889-70**

The purpose of this bill is to amend the law relating to mechanics' and material-

men's liens, essentially by allowing the filing of a bond as a condition of discharging such a lien.

The present law, which applies to subdivisions of 10 or more lots, allows for discharge of a mechanic's or materialman's lien by the owner, lessee, principal contractor, or intermediate subcontractor filing with the clerk of the circuit court (or the assistant registrar of the land court) cash, only, in twice the amount of the sum for which the claim for the lien is filed.

H. B. No. 1889-70 amends the present law in the following respects:

(1) Allows for the posting of a bond in lieu of cash with such sureties as the court having jurisdiction of the suit to foreclose the lien shall require, in sufficient amount to satisfy any judgment together with costs and interest, if any.

(2) If cash is posted, reduces the amount thereof from twice the amount of the sum for which the claim for the lien is filed to an amount sufficient to satisfy any judgment together with costs and interest, if any.

(3) Deletes the reference to liens which cover an entire subdivision of 10 or more lots, thereby rendering the aforementioned provisions applicable to all mechanics' and materialmen's liens.

The net result allows for substitution of a more reasonable form of security to which a creditor may be entitled as a condition of discharging such liens.

Your Committee is in accord with the intent and purpose of **H. B. No. 1889-70** and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee except Representative Aduja.

SCRep. 268-70 Judiciary on **H. B. No. 1803-70**

The purpose of this bill is to allow the Family Court to render personal judg-

ments against parties who are outside of the State of Hawaii, but over whom jurisdiction has been acquired by personal service of process or personal notice, or by registered or certified mail, return receipt requested; and provided further, that such a party was a domiciliary of this State (a) at the time the cause of action arose, or (b) at the time of the commencement thereof, or (c) at the time of service.

Under present law, if the summons and complaint or order to show cause or other pleading are not served on the defendant personally, within the State, the court may proceed only *in rem*; and having jurisdiction over the *res* of the marriage, only, it may issue a decree which affects the "status" of the parties, only. It cannot affect the property rights of such absent defendant, neither can it make an enforceable order of support, the Uniform Reciprocal Enforcement of Support Act notwithstanding, where the court never acquired personal jurisdiction over such party in the first instance.

Thus, for example, a man might desert his wife and children by removing to a sister state, thereby avoiding personal service and effectively denying the Hawaii courts the power to compel support payments, albeit his wife may obtain from him a divorce, *ex parte*.

H. B. No. 1803-70, which would empower the Hawaii courts to issue an enforceable support decree if such a party is served personally or notified in the sister state, or if he is served there by registered or certified mail, finds support in the recent case of *Mizner v. Mizner*, 439 P.2d (Nev.) 679 (cert. den., 393 U.S. 847), involving a similar California statute pursuant to which Nevada enforced a California decree of support against a husband who, until the divorce, resided in California before he removed to Nevada where he was served. The Nevada court ruled that *in personum* jurisdiction may be acquired over a nonresident defendant in a divorce action by extraterritorial personal service of process where a statute of the state ordering support authorizes such jurisdiction in that manner and there are "sufficient contacts" between the defendant

and the forum relative to the cause of action to satisfy "traditional notions of fair play and substantial justice". Such a judgment, under the statute, requires a construction thereof so as to entitle the decree to "full faith and credit".

Your Committee believes that such a "long arm" statute will fill the critical gap between Hawaii and the mainland United States where defendants, upon whom there is a responsibility of support, may otherwise seek refuge, and to where their dependents must otherwise travel in order to pursue their remedy. Decrees in accordance therewith and enforceable thereunder will allow those lawfully entitled to support from one so seeking to avoid his responsibility to find him where they may and enforce the same against him "at home", thereby keeping them off the public charge.

Your Committee has amended the bill to include in the introductory passage a reference to Chapter 580, Hawaii Revised Statutes, under which your Committee believes the subject legislation properly belongs.

Your Committee is in accord with the intent and purpose of **H. B. No. 1803-70** as amended in the form attached hereto as **H. B. No. 1803-70, H. D. 1** and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 269-70 Judiciary on **H. B. No. 1684-70**

The purpose of this bill is to provide that where the Boxing Commission declares forfeited any prize, purse, or remuneration because of refusal of a boxer to fight or other enumerated reasons, that the same shall be paid to a duly organized, non-profit boxers' welfare fund.

Because of prohibitive premiums assessed upon policies written by insurance companies, the Boxing Commission several years ago formed a self-insured organization, approved by the Office of the

Attorney General, known at the Hawaii Boxers' Welfare Association. Under the program, the Commission presently deducts two per cent (2%) of each professional boxer's purse which is deposited into the fund and from which many boxers, both professional and amateur, have received direct medical aid. Presently, there is approximately \$3,000.00 in this account.

H. B. No. 1684-70, which amends Section 440-19, Hawaii Revised Statutes, provides that where the Commission in its discretion declares forfeited any prize, purse or remuneration or any part thereof, it may further declare that the same be paid into the aforementioned welfare fund.

Testimony received by your Committee from the Executive Secretary of the Boxing Commission is to the effect that the bill should be expanded to include fines and other penalties which the Commission may from time to time assess against any person licensed by it and thereby subject to its jurisdiction for violation of any law or rule or regulation relating to boxing. Your Committee accordingly recommends that the bill be so amended, and has so amended it.

Your Committee is in accord with the intent and purpose of **H. B. No. 1684-70** as amended in the form attached hereto as **H. B. No. 1684-70, H. D. 1**, and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 270-70 Judiciary on H. B. No. 1901-70

The purpose of this bill is to clarify the status of the findings and recommendations of a referee of the Family Court, pending a request for review by a judge thereof.

Under the present law, a party is allowed, within five days after written notice of the referee's findings and recommendations, to request a hearing *de novo* by a judge. There is a provision that if such a hearing is not requested, the review

by the judge shall be upon the same evidence heard by the referee; and if not requested or waived, the findings and recommendations of the referee become the decree of the court.

H. B. No. 1901-70 is intended to deal with those situations in which a review is requested, and clarifies the status of the referee's findings and recommendations pending review by a judge. Not infrequently, cases arise wherein a family's immediate need for temporary support, provided for in the referee's findings and recommendations, is effectively denied by the filing of an appeal therefrom, which frustrates the purpose thereof pending the review. Your Committee received testimony that because of the extremely heavy caseload in the Family Court, six months may elapse before such an appeal may be heard, which may deeply affect the welfare of families in great need.

Therefore, the proposed amendment to the present law would make the referee's findings and recommendations effective upon filing, subject to retroactive adjustment upon order of the judge in the final decree, without the interim intervention of a judge. In other words, upon filing, such findings and recommendations would become orders of the court by operation of law.

Your Committee, however, received testimony on behalf of the senior judge of the Family Court, First Circuit, that the judge should have some discretion in determining whether the circumstances involved are of such a nature as warrant making the findings and recommendations a decree of the court pending completion of the review. Your Committee, therefore, recommends a further amendment to allow the judge, when a review before him is requested, to confirm the findings and recommendations pending completion of such a review if, in his discretion, substantial hardship may result by reason of any delay pending the hearing; then upon the hearing being completed the order of the judge may be made to provide such retroactive adjustment to the decree as he may deem appropriate.

Your Committee is in accord with the intent and purpose of **H. B. No. 1901-70** as amended in the form attached hereto as **H. B. No. 1901-70, H. D. 1**, and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 271-70 Higher Education on H. B. No. 1456-70

The purpose of this bill is to exempt aliens employed by the University of Hawaii from having to swear a loyalty oath to the United States, as is required of other State employees under Section 85-32, Hawaii Revised Statutes.

The present requirement that employees of the State must take an oath of loyalty to the United States creates a difficult problem for many aliens who are hired by the University of Hawaii. It is frequently the case that such persons are hired as instructional, research, or technical assistants, or as specialists in a particular field, for the duration of their own studies at the University of Hawaii, thus making them relatively short term employees of the State. Many of these alien employees find that their swearing a loyalty oath to the United States would seriously jeopardize their own national citizenship, and thus they are extremely reluctant to swear such an oath.

Your Committee has amended this bill to extend the period of possible exemption from the two year maximum to an indefinite period, renewable annually, but ceasing when the employee would qualify for tenure. It is the belief of your Committee that the language contained in this renewal clause was too restrictive, and would not cover such instances as an alien's obtaining both his masters degree and his PhD at the University, which would require well over the two years contained in this bill. It is the opinion of this Committee, however, that at such a time that the employee would qualify for tenure at the University of Hawaii, the waiver of the loyalty oath should cease.

Your Committee is in accord with the

intent and purpose of **H. B. 1456-70** as amended herein, and recommends its passage on second reading, and referral to the Judiciary Committee in the form attached hereto as **H. B. 1456-70, H. D. 1**, for further consideration.

Signed by all members of the Committee except Representative Roehrig.

SCRep. 272-70 Higher Education on H. B. No. 1457-70

The purpose of this bill is to exempt the special funds of the Community Colleges and of the college bookstores from the periodic five percent deduction for administrative expenses.

The college bookstores of the University of Hawaii System are entirely self-supporting, with the entire cost of the operation of the facilities, including buildings, fixtures, employees, etc. being borne by the proceeds of the sale of books. The special fund for the college bookstores is the repository of the cash intake from the sale of books, thus the current five percent administrative deduction from the fund depletes the monies of the bookstores by that amount, making the running of the facilities more expensive. This expense must necessarily be passed on to the patrons of the bookstores, a majority of whom are students, a captive market, who can ill afford to pay higher prices. An elimination of the five percent charge will probably not result in the lowering of the cost of books to the students, but it will offset the constantly increasing overhead costs of operation, and insure that the price of books will not go up in the immediate future.

The special funds of the various community colleges contain student monies taken in from student fees and the proceeds of other student activities. Like the bookstores, the student fees must support a wide range of activities. With the source of funds in this case limited by student enrollment, the fees must necessarily be raised to accommodate the five percent administrative deduction and still be able to support the necessary student functions and activities.

Each of these activities is self-supporting, and in both instances, the five percent depletion of the special funds must be passed on to the students and/or customers in order to recoup the loss and enable the organization to function. Other special funds at the University of Hawaii have in the past been exempted from this administrative charge. It is the opinion of this Committee that the two special funds in question, being self-supporting and in a large part deriving most of their money from student fees or purchases, are worthy of exemption from this surcharge as well.

Your Committee is in accord with the intent and purpose of **H. B. 1457-70** and recommends its passage on second reading and its referral to your Committee on Finance.

Signed by all members of the Committee except Representative Roehrig.

SCRep. 273-70 Government Efficiency and Public Employment on **H. R. No. 172**

The purpose of this House Resolution is to request the Director of Personnel Services to undertake a study of layoff procedures to determine the fairness of these procedures and whether and which changes are needed.

Present layoff rules of the State government consider seniority as the single factor in order of layoff. This House Resolution questions the fairness of having seniority as the sole criterion for order of layoff and offers supplemental criteria in determining order of layoff, such as: ability, performance, importance to the organization, and potential.

Your Committee concurs with the purpose of this House Resolution and recommends that **H. R. No. 172** be adopted.

Signed by all members of the Committee except Representatives Meyer and Oda.

SCRep. 274-70 Finance on **H. R. No. 152**

The purpose of this Resolution is to request the Legislative Reference Bureau to conduct a study on the compensation

of members of government boards and commissions.

Your Committee has amended this Resolution by expanding the scope of the study requested to include: (1) an examination of the function and performance of these boards and commissions with recommendations for changes; and (2) consideration of the consolidation or possible elimination of related boards and commissions. Part of the changes were originally reflected in **H. C. R. No. 16**, which was also referred to this Committee, and which would have requested the Legislative Auditor to conduct the study. Your Committee feels that the intent of both Resolutions would be better served if they were conducted by one agency. Your Committee has amended the title of this Resolution to reflect the changes made herein.

Your Committee is in accord with the intent and purpose of **H. R. No. 152**, as amended herein, and recommends its adoption in the form attached hereto as **H. R. No. 152, H. D. 1**.

Signed by all members of the Committee.

SCRep. 275-70 Housing and Consumer Protection on **H. B. No. 397**

The purpose of this bill is to create a department of housing and community development which would assume the responsibility for mobilizing the many resources of this State to meet the rapidly growing need for housing and community development in Hawaii. This department would coordinate all existing State programs and be responsible for developing innovative programs affecting the physical, environmental and social aspects of housing. Your Committee contemplates the eventual inclusion of divisions within the department as follows: property management (Hawaii Housing Authority), finance, development, research and planning, and environmental control.

As we move into the decade of the '70's, your Committee realizes that there is probably no issue of greater magnitude, importance and complexity facing the State of

Hawaii than the challenging problem of designing comprehensive and sensitive solutions for our State's expanding housing requirements. Hawaii has rapidly evolved from a basically agricultural society to a more dynamic and demanding urban society. A concomitant of this transition from rural to urban life styles has been an increasing demand for decent dwellings to house Hawaii's burgeoning population.

Already we have begun to experience some elements of the "housing crisis" in our State. In the next ten years, Hawaii will require an estimated 120,000 to 150,000 housing units to replace the more than 40,000 units of substandard housing to alleviate the great overcrowding problem of existing units and to house our new families and expanding population. Equally as alarming is the fact that half of these units will need some form of government subsidy or assistance in that the cost of housing has already surpassed the income potential of over 70% of Hawaii's residents. It has become increasingly obvious to your Committee, in lieu of the existing situation, that old practices and procedures will not suffice in coping with our present housing problems. What is needed at this time are new and imaginative directions in our attitudes and institutions.

One of the major objectives of your Committee during this 1970 Session has been to identify significant problem areas interrelated with the housing concept which could then be effectively and meaningfully grouped and dealt with as a single legislative entity.

Your Committee has conducted public hearings and heard testimony on over 65 bills and resolutions relating to housing problems in our State. Throughout the intensive dialogue with the people of Hawaii, your Committee has become increasingly aware of the "housing crisis" before us. The people of this State have brought to our attention a myriad of problems relating to housing: the frequent inequities of the landlord-tenant relationship; the urgent need for student housing; the inadequacies of our residential relocation assistance programs; the critical shortages in low income and middle

income housing units; the haphazard development, destruction and pollution of our natural resources; the pressing responsibility for providing housing for our **pau hana** citizens; the necessity for making available mortgage monies at reasonable interest rates — all of these issues have been vigorously and articulately brought before your Committee with compelling urgency.

Additionally, your Committee has heard and read too often the accusation that housing programs tend to emphasize bricks and mortar rather than people; that they stress numbers rather than individual lives. It has occurred to your Committee during the exposure to these criticisms that if we are to truly build the **human factor** into our State's housing program we must be willing to remove certain attitudinal and institutional impediments from our present housing strategies.

It is felt by your Committee that the existing State housing organization does not provide the necessary flexibility for effectively designing and implementing creative and comprehensive solutions to our urban ills. It is time, in fact, past time, that we begin to forego the piecemeal, fragmented approach to housing our people and adopt new strategies more suited for the challenges of urban society.

We have stressed in this report that new directions are needed for these new times. Your Committee believes that we can only begin to attain success in our housing program when we begin to give equal consideration to the complexly interrelated issues of community development and environment quality control. We must begin to expand our housing program horizons to include matters that are in "ecological interdependence" with the simplistic concept of providing "a decent home" for each and every member of our community. Housing lies at the very heart of a multiplicity of critical urban ills facing our society — the pollution of our air and water, the irresponsible exploitation of our open spaces, the inadequacy of our recreational facilities, the upsurge of crime and delinquency on our streets — all of these urban problems have at least a partial explanation

in the quality and quantity of housing in our State. It is for these many critical reasons then that your Committee recommends that housing cannot and must not any longer be considered as an isolate in our planning philosophy.

Your Committee has recommended the establishment of a new Department of Housing and Community Development to provide the required leadership and coordination necessary to combat our urban crisis. The Hawaii Housing Authority was created basically to be responsible for the development and management of federal, low-rent, public housing programs. As housing-related problems emerged, other programs were assigned to the Authority on a piece-meal basis, often without the necessary provisions for adequate staffing or powers to carry out the new responsibilities.

The new Department of Housing and Community Development will have the Hawaii Housing Authority under its jurisdiction and will continue to meet all Federal requirements for the low-rent program. All of the other programs currently assigned to the Authority as the State housing program, teacher housing, the land reform program, the State rent supplement program, the revolving loan fund for non-profit housing sponsors, and the State sales housing program will also be incorporated into the new Department. The Department will also be responsible for the community home mortgage and veterans home mortgage programs, university and community college housing programs, Oahu land development program, expended to a state-wide basis, and home loans to middle income buyers on State lands.

Other State functions which logically might be considered for inclusion within the new Department, at some time in the future, include the Office of Economic Opportunity, the Progressive Neighborhoods Program, the State-County program created by Congress in the 1968 Omnibus Crime Control Act and State activities in the Model Cities Program.

Furthermore, the House is presently

concluding preparation of amendments to the Hawaii Urban Renewal Statutes to provide that the new Department created by this Act shall become the central collating organism with sufficient coordinative powers to provide the State administrative and legislative bodies with an overview of all community development or redevelopment programs. It is the opinion of your Committee that the creative expressions as carried in **Reports Nos. 1 and 2 of the State Urban Relations Committee of the Council of State Governments** are being explicitly responded to by the enactment of this bill.

It can be seen then that the Department's orientation is not simply one of improving the quality of housing but more important, the enormous task of **improving the quality of urban life.**

Your Committee envisions the new Department to be organized into at least four divisions initially: The Property Management Division (Hawaii Housing Authority), the Finance Division, a Development Division and a Division of Research and Planning. The Property Management Division through the Hawaii Housing Authority will be responsible for coordinating Federal housing programs relating to leasing and low rents. It will also continue to manage the State's rental and rent supplement programs. The University housing program will also become an administrative responsibility of this division.

The Finance Division will have the responsibility for generating revenues through the floating of bonds for the financing of the construction of housing for low and moderate income persons, elderly persons, teachers, or students or faculty of institutions of higher learning. The Division would make available to nonprofit corporations and limited dividend developers loans for the construction of housing. Further, the Finance Division would administer the provisions of the Mortgage Loans Program (HRS. Ch. 207), the Community Home Mortgage Program (HRS. Ch. 362), and the Veterans Home Mortgage Program (HRS. Ch. 364) and all the monies in general, special or revolving

funds of the State related to the above programs.

The Development Division will be responsible for all the actual development and construction of the projects under the supervision of the Department. The Development Division will also be charged with the responsibility of carrying out any housing-oriented, land acquisition and land reform programs not under the jurisdiction of the Department of Land and Natural Resources.

The Division of Planning and Research will be responsible for long range planning as well as detail-oriented planning involving current housing and community projects. The Division will strive for the maximum feasible participation of the members of the Community on project design. It will also serve as the coordinating office for architectural services on these projects. Market analysis and research in the areas of housing and community requirements will also be included in divisional responsibilities. New products and innovative concepts testing and evaluation will also be an integral part of the Division's research activities.

The 1955 Japan Land Readjustment Law should be studied and evaluated for its potential utility for the State of Hawaii. Some 112 cities in Japan have made use of this program with considerable success. This "land readjustment" coopts the affected residents into the decision-making process, and in addition, allows them to retain their equity in the project. The merits of this program are that it is egalitarian as well as economically advantageous for the Government. Under this program, only some financial assistance is required for off-site capital improvements. Your Committee recommends that a sum of \$25,000 be appropriated in order to allow the new Department of Housing and Community Development to study this innovative program.

High density, multiple occupancy dwelling units should also be experimented within an effort to minimize the unreasonable and irresponsible encroachment upon our precious Hawaiian open spaces. The

conservation of our lands **must be** of paramount importance to **all** of the people of Hawaii. It is with this guiding principle in mind that the Planning and Research Division should intensively develop multi-unit housing projects on our nonproductive agriculture lands. Town house apartment complexes, duplexes, triplexes, and other similar multi-unit housing schemes are only several of many more creative alternatives which we **must** turn to in the immediate future.

Most importantly, the Division would strive to coopt the community into the decision making processes affecting housing and the related activities of social services planning and environment quality maintenance.

A fifth Division, that of Environmental Quality Control, is projected for the inclusion within the Department in the early future. Initially it is suggested that the Office of Environmental Quality Control will be within the Governor's Office. This organizational arrangement will permit the Chief Executive to use his authority to cut across departmental lines and develop a meaningful, comprehensive program. When the environmental quality program is established, it could then be transferred to the new Department of Housing and Community Development. Within the framework of the Department, the Division could begin to develop coordinated programs which emphasize the crucial relationship between environmental quality and human welfare.

Your Committee has attempted to communicate the enormity of the urban crisis before us. It is indeed a formidable task which we have no choice but to undertake. Your Committee offers you no panacea for the housing crisis in the State of Hawaii. Professional experience and common sense have indicated to all of us that there is no complete solution to a problem of these proportions.

Your Committee does strongly believe, however, that **H. B. 397** is a creative step in the right direction. We wish to point out that this is not a spontaneous, poorly conceived legislative proposal. The mem-

bers of your Committee had begun exploring this dynamic concept of the inter-relatedness of social and environmental factors to housing early in the 1969 Session, when we had introduced **House Bills 389, 392, 394, 395, 396, 397, and 398.**

Your Committee has been seeking ways to strengthen the State's role in housing since the start of the 1969 Session. Our Study revealed that two major areas of change are required as well as several minor areas, amending and updating previous actions of the Legislature. Most of these minor changes were enacted during the 1969 Session, such as the extension of tax exemptions for nonprofit sponsored housing projects [**H. B. 398** (Act 89-69); **H. B. 394** (Act 132-69)]. Since passage in the past nine months, three projects totaling 360 units have gotten under construction as a result of this exemption. Another 800 units are under planning and could be under construction this year by nonprofit sponsors. In a related measure [**H. B. 389** (Act 239-69)], \$15,000,000 in general obligation bonds was provided for and an exemption in regards to floor area ratio was made to stimulate more housing units for the **pau hana** members of our community. In the belief that we are now equipped to make definitive decisions in sharpening our current governmental tools, we have incorporated into the attached measure the additional mechanisms we believe will assure a sanitary and safe place to live for not only Hawaii's senior citizens, but for all the citizens of Hawaii-Nei.

Additionally, strengthening of the Hawaii Revolving Loan Fund [**H. B. 392**, (Act 261-69)] has provided \$100,000 in loans to several projects, two of which are now under construction with repayment of the loan. These two projects have added 233 units with another 1500 units in planning either where loans have been made, requested or pending, and generating some \$40,000,000 in housing from a modest state loan program.

Two major bills were deferred to this session because of their complexity and far reaching implications and have required considerably further study. These are the Hawaii Housing Finance Agency [**H. B.**

395] which in 1969 called for \$40,000,000 and has been included as a separate vehicle in the House housing package for 1970, and the Department of Housing and Community Development [**H. B. 397**].

We are therefore particularly pleased to recommend for your consideration the logical and culminating extension of our socially and environmentally sensitive housing package — **H. B. 397, H. D. 1**, relating to the creation of a Department of Housing and Community Development.

In summary, the following outlines the various sections of the bill.

Section 1 sets forth the legislative declarations, findings and purpose.

Section 2 sets forth definitions of terms.

Section 3 creates the department of housing and community development, provides for appointment of its director by the Governor and authorizes the appointment of two deputy directors.

Section 4 enumerates the powers and duties of the department generally.

Section 5 authorizes the department to acquire any private land by voluntary negotiation or by eminent domain.

Section 6 authorizes the department to develop real property and construct dwelling units thereon either on its own or by joint ventures with qualified developers and contractors. If a joint venture is entered into, participating joint venturers are to be reimbursed for their costs relating to the project, plus a gross share of not more than 15% of the actual cost of each dwelling unit, less any amount subsidized by the State. Contracts with joint venturers may be entered into without reference to the competition bidding laws.

Section 7 provides for the lease, sale or rental of dwelling units completed at a price or rent based on cost. Certain costs may not be included so as not to increase the price or rental. The department in the case of a purchase is authorized to make loans up to 100% of the purchase price at an

interest rate of not less than one-half of 1% more than that paid by the State for the general obligation bonds issued for the project.

Section 8 sets forth the following restrictions on transfer and use of the dwelling units. For the first ten years the dwelling unit must be owned or occupied and used for residential purposes only. Title to the dwelling unit or the lease may not be transferred except to the department at a price not exceeding the greater of the amount of the original cost or the fair market value of the premises, less any amount subsidized by the State, whichever is greater. After ten years from the date of purchase from the department, the purchasers may sell the unit free from any price restriction provided that he pays to the department (1) the balance of the amount owing to the State; (2) any subsidy made by the State not originally included as the cost of the unit; (3) interest on the amount of the subsidy. If the profits from the proposed sale or transfer is not sufficient to repay the foregoing sums, the department has the right of first refusal to repurchase the unit. However, the department has the power to consent to the sale or transfer of a unit, without repurchasing it, where the intent of the proposed bill would not be jeopardized.

Section 9, in essence, authorizes the department to enter into contracts for turnkey projects on lands owned or leased by the State.

Section 10 provides for a mortgage loan insurance program on the top 25% of the principal balance on a loan. This provision contemplates that 100% loans will be obtainable by qualified borrowers. An insurance fee to be established by the department is provided for this program.

Section 11 authorizes the director of finance to issue general obligation bonds of the State in the amount of \$50,000,000. In the event private interim financing is used for any projects, interests on such interim money as the cost of a project shall be computed at not more than one-half of 1% more than that paid by the State for the general obligation bonds issued for the

project.

Section 12 creates a dwelling unit revolving fund.

Section 13 authorizes the director of the department to adopt and promulgate rules and regulations necessary to carry out the purposes of the proposed Act. Such rules and regulations, when adopted and promulgated, are to have the force and effect of law and shall supersede other inconsistent laws, ordinances and rules and regulations relating to the particular project, except as otherwise provided in the Act.

Section 14 provides that before any housing project is commenced, the county in which the project will be located may disapprove the project by a vote of two-thirds of the members of its legislative body.

Section 15 exempts all rents and proceeds from housing projects developed under the proposed Act from the general excise or receipts taxes.

Section 16 transfers to the department the responsibility for administering chapters 206 (Oahu Land Development Program), chapter 207 (Home Loans for Middle Income Home Buyers on State Lands), chapter 361 (Community Home Mortgage Program), and chapter 364 (Veterans Home Loan Program) of the Hawaii Revised Statutes. The Land Development Program is expanded to a State-wide basis. Other amendments are made to these chapters to make these programs more workable. This section further transfers the functions of planning, constructing, managing and operating student and faculty housing for the University of Hawaii and community colleges to the new department from the department of accounting and general services and the University of Hawaii, and further transfers the Hawaii Housing Authority to the new department. The Governor is authorized to effectuate the transfer of functions and the transfer of personnel and personal property involved by Executive Order no later than July 1, 1972.

Section 17 provides for an appropriation

for purposes of administering the Act, the sum of which is undetermined at this time.

Section 18 is the usual severability clause.

Section 19 provides that the Act is to take effect upon its approval but further provides that until the provisions of the Act have been fully effectuated by Executive Order, the Hawaii Housing Authority will continue to carry out its duties, powers and functions and shall also carry out the

duties, powers and functions of the new department.

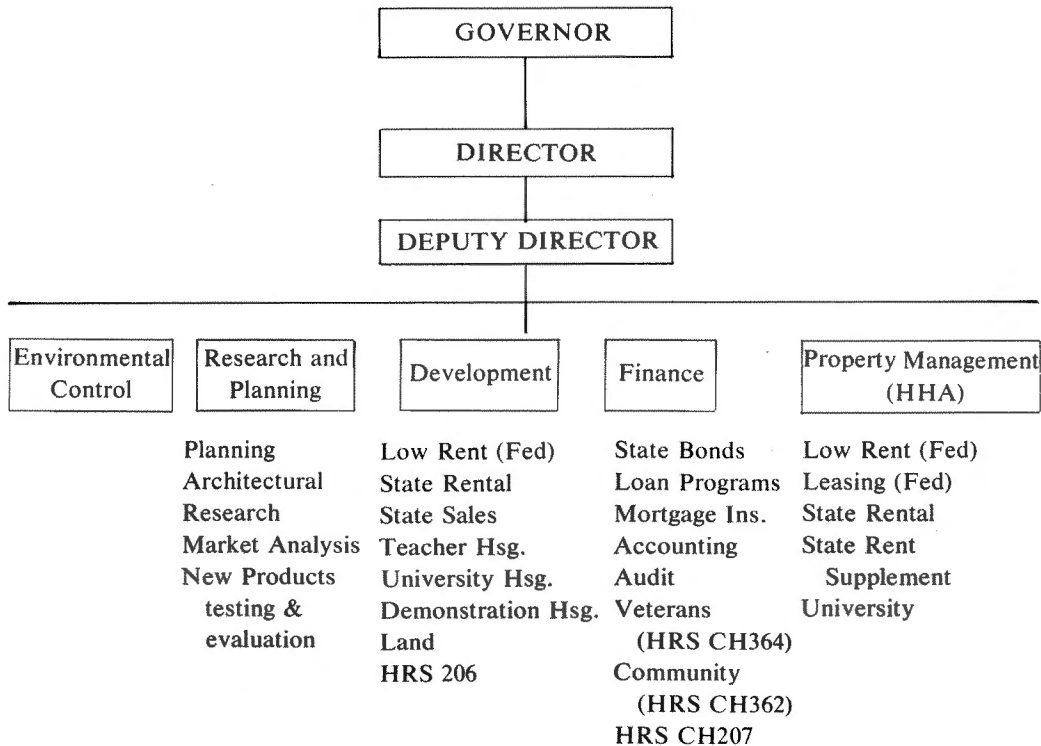
Your Committee is in accord with the intent and purpose of **H. B. No. 397**, as amended herein, and recommends that it pass second reading in the form attached hereto as **H. B. No. 397, H. D. 1**, and that it be referred to your Committee on Finance.

Signed by all members of the Committee except Representative Heen.

PROPOSED

ORGANIZATIONAL CHART

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT



SCRep. 276-70 Printing and Revisions

Informing the House that **House Resolution Nos. 243 to 253, Standing Committee Report Nos. 264-70 to 275-70 and 277-70 to 306-70** have been printed and distributed.

Signed by all members of the Committee.

SCRep. 277-70 Agriculture on H. R. No. 75

Hawaiian investors in general and Hawaii farmers in particular are currently faced with a critical shortage of capital. The Federal Intermediate Credit Bank and the Berkeley Bank for Cooperatives are two institutions not doing business in Hawaii. It is believed that the establish-

ment of these two banks may ease the serious credit gap currently in existence. This resolution has therefore two purposes. First, it adds legislative support to the petitions of farmers encouraging the Bank for Cooperatives and Federal Intermediate Bank to lend money in Hawaii. Second, it calls for State agencies, the Department of Agriculture and the College of Tropical Agriculture in particular, to assist representatives of the Banks in their investigation of financial opportunities in Hawaii.

Your Committee feels that the nonavailability of capital is a seriously limiting factor to the development and growth of Hawaiian diversified agriculture. The critical nature of the credit deficit was illustrated by the estimated 1967 credit gap of \$11.2 million. In addition, the per cent of total agricultural loans represented by commercial credit has decreased from 43.6 per cent to 31.3 per cent over the five-year period since 1964. Based on these facts, your Committee feels that legislative action and support is warranted.

A second reason for action at this date is one of appropriate "timing". Mr. George Anderson and Mr. B. H. Schulte, Presidents of the Federal Intermediate Bank of Berkeley and the Berkeley Bank for Cooperatives, respectively, on their recent visit to Hawaii, were reported to be optimistic about the possibility of operating in Hawaii. It was further reported that as a result of their preliminary investigation, a two-man team will be sent to Hawaii not later than April of 1970 to continue the bank feasibility study. If their report is positive, the chance is good that an Intermediate Bank will be established by the end of 1970. Thus legislative concurrence at this date, which can be submitted to the two investigators, would be helpful in lending support to the petitions of farmers and cooperatives and would demonstrate State concern and desire to assist local farmers.

Finally, your Committee noted that all witnesses were in accord with this resolution. For example, Harry Okabe reported that the Farm Bureau supported the resolution as did Clinton Ching, Attorney for the 50th State Cooperative, because of its

potential benefit to the farmers who are most seriously affected by the tight money situation. Billy Tokuda, Legislative Coordinator of the Farm Bureau spoke on the enthusiastic response of Kona farmers who drove 100 miles to Hilo to attend a meeting concerning the establishment of the two banks on the Island of Hawaii. C. Peairs Wilson, Dean of the College of Tropical Agriculture, testified on the willingness of the College to assist both banks in their educational efforts; and Richard Morimoto of the State Farm Loan Division emphasized how these two agriculture Banks could relieve the State of its heavy farm credit burden.

Data and testimonies clearly indicate the need for the establishment of the Bank for Cooperatives and the Federal Intermediate Bank in Hawaii, and the value of legislative support.

Your Committee on Agriculture is in accord with the intent and purpose of **H. R. No. 75** and recommends its referral to your Committee on Higher Education for further consideration.

Signed by all members of the Committee except Representative Roehrig.

SCRep. 278-70 Lands on H. R. No. 92

The purpose of this House Resolution is to support and urge the temporary use of the runway at the Kailua Airport as an automobile drag strip for racing enthusiasts, after it is vacated, and until the Department of Land and Natural Resources determines another use for the land on which the Kailua Airport is located. The airstrip would be made available to the County of Hawaii for their use and control for drag racing under a special permit.

Your Committee finds that the sport of drag racing has grown to such proportions that it has become necessary to locate an appropriate facility as an outlet for this interest. According to Mr. Matsu Uehara, Jr., President of the Hilo Auto Club, there is no area set aside for drag racing on the island. Therefore, racing enthusiasts are compelled to race illegally, to the detriment

of themselves and to the community.

Officials of the island, including the Mayor, City Council, and the Police Department endorsed the resolution and, during the hearing in Hilo, urged the adoption of the resolution. The Department of Land and Natural Resources also supported the resolution. The use of the runway as a temporary drag strip would accomplish a number of things, to include controlling the sport to the extent that safety hazards would become minimal. Also, it would give the county time to locate a permanent site.

Your Committee is in accord with the intent and purpose of **H. R. No. 92** and recommends that it be referred to your Committee on Hawaii Select.

Signed by all members of the Committee.

SCRep. 279-70 Higher Education on H. C. R. No. 80

The purpose of this concurrent resolution is to request the Board of Regents of the University of Hawaii to examine the feasibility of purchasing the outstanding minority interest stock in the Honolulu Stadium, of which the University is presently the majority stockholder, and to examine the feasibility of using the Stadium site for the location of dormitory and housing facilities for the Manoa campus, or for the relocation of Kapiolani Community College, or for any other educational purpose.

The Manoa Campus of the University of Hawaii is critically short of land on which to house and educate the anticipated 25,000 students in 1973. New sources of land in the immediate vicinity of the Manoa campus are difficult to work with, as the Manoa residents are understandably hesitant to watch the campus encroach on the residential area further. However, in order to please the Manoa community, and still provide adequate facilities for increased numbers of students, land must be found within reasonable proximity of the Manoa campus for the location of University facilities.

The ten acre parcel of land which now houses the Honolulu Stadium could provide a partial solution to the problem. The University of Hawaii already owns a controlling 61.38% of the shares in the Stadium, with an additional 10% being owned by the Associated Students of the University of Hawaii. This tract is close to the Manoa campus, and while a zoning change from commercial to high density would be required, it is conceivable that such a change would be easier to obtain for this particular parcel of land than for others in the area. Residents who have over the years accustomed themselves to frenzied sports fans and attendant stadium noise and traffic problems, might be expected to look upon the relative calm of a high density housing community as an act of mercy.

The idea to use this land for the location of housing facilities for the University is not new, having first been set forth in the University-Community Plan, of 1965. The size of this parcel, ten acres, would be sufficient not only for the construction of dormitories, but also for the creation of a more comprehensive University housing community, including facilities for married students, and faculty housing as well as the traditional dormitories.

The Manoa Campus of the University of Hawaii is not the only University System component which is suffering from lack of land. Both Kapiolani Community College and Honolulu Community College are taxing their sites to the limits, with the situation of the former being the most urgent. Kapiolani Community College must face the prospects of either relocating the campus to a larger piece of land, or going high-rise at its present site. Honolulu Community College will face the same prospect several years from now.

With land at such a premium in Honolulu, the Stadium site is understandably being lusted after by more than one sector of the University, and probably other segments of the larger community as well. This soon to be vacated site clearly cannot serve as a panacea for the entire University System, but it could serve handsomely as a major University housing

complex, or for the relocation of Kapiolani Community College. It is the opinion of this Committee that the Board of Regents of the University of Hawaii would be well advised to make specific plans for the Stadium site, and proceed immediately to acquire this land as set forth in this concurrent resolution.

Your Committee is in accord with the intent and purpose of **H. C. R. 80** and recommends its referral to your Committee on Finance.

Signed by all members of the Committee except Representative Roehrig.

SCRep. 280-70 Select Committee of Oahu Representatives on **H. R. No. 160**

The purpose of this Resolution is to request the Division of State Parks of the Department of Land and Natural Resources to take certain steps to preserve the integrity of Diamond Head State Monument. The Resolution calls for a review of the 1967 study by Pacific Planners, the State's Consultant on Diamond Head; the report adopted by the Department of Land and Natural Resources of March 1968; and the report and recommendations of the State Defense Department Diamond Head Crater Task Force on the Future Uses of Diamond Head Crater. The Resolution further requests the Division of State Parks to prepare a detailed map of the Diamond Head State Monument boundaries as adopted by the Department of Land and Natural Resources in 1968; and further calls upon the Division to establish the preservation criteria and control concepts for the state-owned lands comprising the Diamond Head State Monument area. The Resolution further calls upon the Hawaii Foundation for History and the Humanities to serve as the advisory committee provided for by Act 236, Session Laws of Hawaii 1969 to review the historic preservation plans for Diamond Head developed by the Division of State Parks. The Resolution further calls upon the State Director of the Division of State Parks to report his findings and proposed plans to the Legislature twenty days before the convening of the Regular Session of 1971.

Act 249, Session Laws of Hawaii 1965, required the Department of Land and Natural Resources to develop a plan envisioning cooperation with the State Department of Defense and the City and County of Honolulu in regards to the control and use of lands contiguous to Diamond Head.

Act 249 further directs the Department of Land and Natural Resources to recommend additional lands which it considers to be essential to the preservation of the visual and historic aspects of Diamond Head. Acting pursuant to Act 249, the Department retained Pacific Planners as Consultant on the preservation of Diamond Head. Pacific Planners completed a comprehensive study which encompasses the visual, historical, geological, and ecological aspects of Diamond Head and provides an excellent foundation for the development of a plan to implement the preservation of Diamond Head.

Your Committee finds that the action proposed by this Resolution will go far to coordinate planning and to provide a proposal on the part of State and City and County Agencies directed toward the preservation of Diamond Head.

Your Committee is in accord with the intent and purpose of **H. R. No. 160** and recommends that it be referred to your Committee on Lands.

Signed by all members of the Committee except Representatives Pacarro and Ushijima.

SCRep. 281-70 Select Committee of Oahu Representatives on **H. C. R. No. 74**

The purpose of this Concurrent Resolution is to request the Division of State Parks of the Department of Land and Natural Resources to take certain steps to preserve the integrity of Diamond Head State Monument. The Concurrent Resolution calls for a review of the 1967 study by Pacific Planners, the State's Consultant on Diamond Head; the report adopted by the Department of Land and Natural Resources of March 1968; and the report and recommendations of the State Defense Department Diamond Head Crater Task

Force on the Future Uses of Diamond Head Crater. The Concurrent Resolution further requests the Division of State Parks to prepare a detailed map of the Diamond Head State Monument boundaries as adopted by the Department of Land and Natural Resources in 1968; and further calls upon the Division to establish the Preservation criteria and control concepts for the state-owned lands comprising the Diamond Head State Monument area. The Concurrent Resolution further calls upon the Hawaii Foundation for History and the Humanities to serve as the advisory committee provided for by Act 236, Session Laws of Hawaii 1969 to review the historic preservation plans for Diamond Head developed by the Division of State Parks. The Concurrent Resolution further calls upon the State Director of the Division of State Parks to report his findings and proposed plans to the Legislature twenty days before the convening of the Regular Session of 1971.

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Your Committee finds that the action proposed by this Concurrent Resolution will go far to coordinate planning and to provide a proposal on the part of State and City and County Agencies directed toward the preservation of Diamond Head.

Your Committee is in accord with the intent and purpose of **H. C. R. No. 74** and recommends that it be referred to your Committee on Lands.

Signed by all members of the Committee except Representatives Pacarro and Ushijima.

SCRep. 282-70 Agriculture on **H. B. No. 2001-70**

The purpose of this bill is to amend Section 155-1, Hawaii Revised Statutes to include ponds and other bodies of water reserved for the controlled, artificial cultivation of some aquatic life form and within the real property for which real property taxes are assessed and paid by the owner under the definition of "farm land" in the State farm loan program.

The division of farm loans in the department of agriculture currently provides five classes of loans to qualified farmers in Hawaii. Since 1959, the division has had an average of 400 loans outstanding totaling about \$5.5 million annually. However, because the traditional concept of what constitutes a "farm" has prevailed, all loans made to this date have been to enterprises confining their activities to the 'solid part of the earth's surface.'

Yet in reading Section 155-1(2), it is evident that some flexibility in the interpretation and implementation was desired by the original authors of the program inasmuch as qualified farmers included "farming in its broadest sense". At the same time, it was clear that the purpose and intent of the farm loan program was to provide credit to qualified farmers who could not obtain loans from other institutions such as the banks, the Federal Land Bank, or the Farmers Home Administration. Section 153-3 (Restrictions), specifically mentions this intent as it reads, "Loans provided for by this chapter shall be authorized only if such loans cannot be made by the Farmers Home Administration."

In addition, Section 155-6(a) reads, "The department of agriculture may provide funds for a share, not to exceed ninety

per cent, of the principle amount of a loan made to a qualified farmer by a private lender who is unable otherwise to lend the applicant sufficient funds at reasonable rates where the qualified farmer is unable to obtain sufficient funds for the same purpose from the Farmers Home Administration," and Section 155-7(a) states, "The department of agriculture may make loans under the insured loan program of the Farmers Home Administration to qualified farmers who are unable to obtain sufficient funds at reasonable rates from private lenders independently or under Sections 155-5 and 155-6."

In view of these statements, it is clear that the State farm loan program was created to provide loans to Hawaii's qualified farmers who were unable to obtain finances from the Farmers Home Administration (F.H.A.). At the same time, realizing that changes in technology, economic conditions, and concepts may alter the F.H.A. loan program the Hawaii Revised Statutes were worded to allow some degree of flexibility so that amendments would not be necessary should the F.H.A. adopt changes to their loan program. An example of this flexible wording is found in Section 155-7(c) which reads, "interest charged the borrower, and interest received by the department, shall be the prevailing rates specified under the insured farm loan program of the Farmers Home Administration."

Currently, the State farm loan division will not process applications for loans when the product in question is raised in a water medium because they are not specifically mentioned in our State statutes. Thus, the problem and the crux of the issue involved with this bill is to specifically include qualified farmers growing plants or animals in water medium in the State farm loan program because they are legitimate members of the agriculture sector; and to exclude them would be discriminatory.

Your Committee would like to elucidate on the misunderstanding that the word "farm" applies only to a well defined, static, restrictive, category of endeavor where plant and animal life is cultivated in or on a terrestrial medium. Webster's dictionary

defines a farm to mean a tract of land devoted to agricultural purposes or a tract of water reserved for the artificial cultivation of some aquatic life form. Thus, the terms, "farm" and "farming" refers to the concept or method of production of something living rather than to any commodity or product. The F.H.A. recognizes and accepts this interpretation to be valid and, therefore, approves:

a. **Farm Ownership Loans** "to produce fish under controlled conditions";

b. **Water Development and Soil Conservation Loans** "to develop ponds and water control structures for the production of fish under controlled conditions"; and

c. **Operating Loans** "to finance the production of fish under controlled conditions in ponds, streams, and lakes."

For the reasons enumerated hereinabove, your Committee concludes that a disparity and a vacuum exist between the lending programs of the F.H.A. and the State and that this disparity needs to be corrected. Therefore after much consideration and deliberation, your Committee feels compelled to concur with the intent and purpose of **H. B. No. 2001-70**. At the same time, your Committee desires to express its clear intent that such agricultural activities of a "farm" include the application of horticulture and animal husbandry techniques to growing aquatic life and whereby control of the growth of the species like domesticated farm animals is effectuated.

Finally, your Committee would like to make this observation. The impact of this bill will not be so great that State funds would be taxed or exhausted overnight. The division of farm loans has the responsibility of determining which applicant is a fiscally "qualified farmer" and has some control as to the number and amount of loans approved. In addition, as brought out during the public hearing on this bill, at most, there is a total of about 6 to 8 farmers of aquatic life who are even remotely concerned with the program and, the size of the loan requested would not exceed the limits currently established. In most

instances, the necessary funds would approximate between \$20,000 to \$30,000 per loan. Thus, to paraphrase the state loan officer, we do not expect to see a large increase in the number of applications.

Your Committee would like to point out two substantive amendments which are reflected in **H. B. No. 2001-70, H. D. 1.**

First, the expanded definition of "farm land" was further refined to better reflect the intent of the bill. New material is underlined and deleted material bracketed.

"It includes ponds and other bodies of water **reserved for the controlled, artificial cultivation of some aquatic life form that are within the real property for which real property taxes are assessed and paid by the owner.** [and that are used for aquacultural purposes.]"

Secondly, the reference to "aquaculture" in Section 153-1(2) was removed since its broad definition may include the vast expanse and depths of the sea. The intent here is to restrict the scope of operations to ponds, rivers and lakes.

Your Committee on Agriculture is in accord with the intent and purpose of **H. B. No. 2001-70**, as amended herein, and recommends that it pass second reading and that it be referred to your Committee on Economic Development for further consideration in the form hereto attached, as **H. B. No. 2001-70, H. D. 1.**

Signed by all members of the Committee except Representative Roehrig.

SCRep. 283-70 Agriculture on **H. B. No. 2000-70**

The purpose of **H. B. No. 2000-70** is to amend Section 153-1, H.R.S. to broaden the scope and coverage of the State Agricultural products program by including aquaculture or aquacultural development products within the definition of activities engaged in by a qualified agriculturalist and by including products which would improve the import-export balance of the State under Section 153-1 and 153-4.

Since the inception of the agricultural products program in 1964, the department of agriculture has received only three applications for loans under the program totaling \$85,000. The three were for Norfolk island pines, seed corn and tropical potted plant enterprises. All applications were processed and approved.

Your Committee feels that one of the principal reasons for the small number of loans is the limitation set forth by Sections 153-1 and 153-4 which restricts the program to farms whose products are intended primarily for export markets. These two sections are unnecessarily prohibitive.

Your Committee recognizes that during the early stages of development of a new and expanding industry, the capability to export the commodity does not exist until local supply exceeds local demand. Nevertheless, so long as the commodity effectively competes for a share of the local market previously supplied by imports, your Committee feels that such an enterprise has contributed toward the overall objective of the Agricultural Products Program regardless of whether or not it develops into an export industry. Your Committee cannot clearly distinguish the difference in the contribution to the State's economy between the situation where a local commodity competes with imports on the local market or where a local product is exported to compete in an overseas or out-of-state market. For this reason, your Committee feels that an amendment to permit products which will **improve the import-export balance of the State** would not increase the cost of administering the program significantly but, more importantly, would better meet the intent of the program.

The second issue involved with **H. B. No. 2000-70** deals with the concept of "aquaculture" or "aquacultural activities". Webster's unabridged dictionary defines "aquaculture" to mean "the culture of sea, lake, and river foodstuffs, as fish, oysters, seaweeds, etc.". It is not the intent of this bill to allow such broad coverages for "aquacultural activities" under the agricultural products program.

For this reason, all references to “aquaculture” and “aquacultural activities” are deleted in **H. B. No. 2000-70, H. D. 1**. However, it should be noted that the original intent of the bill to provide State assistance under the State agricultural products program should and is preserved if “farm” is interpreted in its broadest sense. This interpretation is clear as Webster’s dictionary defines a “farm” to mean not only a tract of land devoted to agricultural purposes but also a tract of water reserved for the artificial, cultivation of some aquatic life form. Therefore to clarify the understanding of what is a “farm”, to set the limits of the types of farm enterprises which do meet the criteria of the products program, and to satisfy the intent of this bill, Section 153-1(2) was amended to include a definitive statement of a “farm”. Thus, a “farm” in this subsection means:

“ . . . a tract of land devoted to agricultural purposes or a tract of water reserved for the artificial, controlled cultivation of some aquatic life form which is within the real property for which real property taxes are assessed and paid by the owner.”

Note that the underscored key words clearly and concisely limit the agricultural products program to specialized types of operations. It is the intent of this Committee that “farm” be interpreted in its broadest sense such that agricultural activities include the application of horticulture and animal husbandry techniques to growing aquatic life whereby control of the growth of the species like domesticated farm animals is effectuated.

Your Committee on Agriculture is in accord with the intent and purpose of **H. B. No. 2000-70**, as amended herein, and recommends that it pass second reading and it be referred to your Committee on Economic Development for further consideration in the form attached hereto as **H. B. No. 2000-70, H. D. 1**.

Signed by all members of the Committee except Representative Roehrig.

SCRep. 284-70 Agriculture on H. B. No. 1820-70

The purpose of this bill is to allow for the one-time renewal of leases on public lands for pasture use based on negotiations between the incumbent lessee and the State. Such negotiations would be contingent upon the determination by the board of land and natural resources that the lease renewal would not result in a decrease in revenue to the State and that responsible and effective livestock and land management practices would continue on the part of the lessee.

Your Committee finds that the demand for beef in Hawaii has increased by over 50 percent in the past 10 years to a current total in excess of 66 million pounds of beef and veal per year. Hawaii producers, however, fill less than half of this demand, and therefore continue to look optimistically to the future of the industry in the State.

Historically the availability of productive pasture land has restricted the expansion of the beef industry. Your Committee finds that over a quarter of the land in the State is already devoted to grazing, and that there is little room to put more acreage to this purpose. The industry therefore has expressed justifiable concern toward maintaining, preserving and improving the quality and value of the pasture land throughout the State through sound management practices.

Your Committee recognizes that proper pasture management represents a continuing, expensive and long-range commitment of the land owner, or his lessee, which is essential to preserve and develop the value of pasture land to its fullest potential. Practically, however, your Committee finds that since only two percent of the total agriculture land currently being used is owned by the operator, the management and responsibility of the vast majority of Hawaii’s pasture land rests in the hands of lessees whose tenure of the property is for a fixed term. Even a cursory investigation will reveal that the economic practicality of a lessee investing in necessary operations of effective management such as fence repair, fertilization, and weed and pest control, fluctuates with the degree of assurance the lessee has of retaining the land in the future. In other words, a lessee

is normally willing to invest in the land only to the degree that he may realize a net return on his investment. As an example, an extensive clearing, weed control, and fertilizing program could possibly increase the value of a section of pasture land in the long run. However it would be economically advantageous to a lessee only so long as he had a reasonable assurance of retaining the use of the land long enough to allow him to amortize the cost of the program and to realize a fair return on his investment. The risk, however, of his failing to be awarded a renewed lease and thereby losing a part of the unamortized investment in the land is apt to be sufficient to discourage improvements. During approximately the last three years of pasture lease terms, lessees, therefore, have no economic alternative but to curtail investments in the land. This commonly results in abuses to the land by overgrazing, reduced weed and pest control, and stop-gap maintenance practices on fences and water systems. By the date of expiration of the lease, these mismanagement practices result in the land being rendered significantly less valuable than it had been three years earlier while sound management programs could be afforded. The holder of the new lease then faces a slow, expensive process of repairing the land to its former higher level of productivity. Your Committee finds that this tendency to let pasture land quality decline is widespread and common place. Your Committee also feels that this will continue to be the case until lessees are afforded some assurance of being able to retain the land through a procedure such as that proposed in **H. B. No. 1820-70**.

Your Committee also finds evidence that the present practice of disposing of new leases by bidding has resulted occasionally in lease rentals which rise beyond a reasonable level of return to the State or a fair market rental to the lessee. Your Committee recognizes that the results in either case are not in the best public interest. From testimonies adduced at the hearing on this bill, your Committee finds instances where lessees have bid up to a rental level that the land cannot support. When the lessee's rental falls into default, the State has been forced to cancel the

lease.

In summary, your Committee would like to reiterate the following two points which are of primary importance in considering this bill. First, that providing assurance to lessees of continuous tenure of land through the renewal of a lease by negotiation will encourage long range programs involving substantial capital improvements on the land. Your Committee feels that frequently such investments and improvements are basic requirements of competent land management and good animal husbandry. Moreover, this will enable the beef industry of generating sufficient income per acre to ensure the State an equal or higher return on pasture land than what currently is being paid. Secondly, your Committee would like to emphasize that it is not its intent to provide the incumbent lessee with an absolute right to negotiate, but rather, to provide the statutory framework under which negotiation of a pasture lease may commence upon a finding by the board that the public interest demands it. Consequently, your Committee wishes to make its intent explicitly clear that the board retain its discretionary power to reduce or subdivide a leased parcel upon its expiration and make the determination to lease all or some of the parcels by negotiation or public bidding in accordance with the demands of public interest.

Upon consideration of the bill, your Committee has amended it in several particulars.

1. The negotiation option period is changed from "within five" to "within three years" of the date of expiration of the existing lease and that the negotiated lease would be effective upon expiration of the existing lease. A minimum time requirement of "a year from the date of expiration of the existing lease" by which the lessee must submit a request in writing to the board to negotiate a lease renewal was established. These changes are reflected as follows:

"Notwithstanding any provision contained under chapter 171 to the contrary, when any land has been leased for pas-

ture purposes and there remains under the lease an unexpired term of less than [five] three years, a new lease of the land, to commence upon expiration of the current lease, may be disposed of to the lessee through negotiations upon a finding by the board that the public interest demands it, provided the lessee gives written notice to the board not later than one year prior to the expiration of the lease that the lessee desires to negotiate a new lease for the land and upon a determination by the board.”

2. Subparagraph numbered (4)(A) is deleted.

3. Subparagraph numbered (4)(E) is amended as follows to allow the board a degree of flexibility in the application of the rule of reason in determining whether the terms of the existing lease were substantially complied with:

“That the lessee is not then in substantial default of any provisions or conditions of his existing lease. . .”

4. The fair market rental to be determined will be based on the use of the land for “pastoral purposes” as follows:

“The annual rental for any newly negotiated period shall be the rental for the immediately preceding period or the fair market rental for pastoral purposes at the time of negotiation, whichever is higher.”

Your Committee is in accord with the intent and purpose of this bill as amended and recommends that it pass second reading and be referred to your Committee on Lands for further consideration in the form attached hereto as **H. B. No. 1820-70, H. D. 1.**

Signed by all members of the Committee except Representative Roehrig.

SCRep. 285-70 Public Institutions and Social Services on H. B. No. 1521-70

The purpose of **H. B. 1521-70**, as amended herein, is to require the Board of Paroles and Pardons to review and reset

the minimum sentences of all prisoners sentenced prior to June 7, 1967, the effective date of Act 264, Session Laws of Hawaii, 1967.

Act 264 authorized the Board to refix, with the Governor’s approval, the minimum terms of prisoners in all cases except where the prisoner is serving a term for life not subject to parole. That Act also repealed as to prisoners sentenced after its effective date certain provisions of the Hawaii Revised Statutes relating to commutation and accumulation of days for good behavior. The purpose of this bill, as originally drafted, was to make it clear that the Board is authorized to refix minimum sentences of prisoners sentenced prior to the effective date of Act 264.

Your Committee finds that there is no ambiguity with respect to Act 264 and that the Board is clearly empowered by that Act to refix the minimum sentences of all prisoners.

Your Committee does find, however, that inequities become evident when the minimum sentences of prisoners sentenced prior to the effective date of Act 264 are compared to the minimum sentences of those sentenced later.

In recent years the Board of Paroles and Pardons has adopted a modern rehabilitative policy in fixing minimum sentences. Therefore, prisoners sentenced during recent years have as a general rule received substantially shorter minimum sentences than did prisoners sentenced several years ago. For this reason the bill has been amended to require the Board to review and reset the minimum terms of all prisoners sentenced prior to the effective date of Act 264.

The determining of new minimum sentences pursuant to this Act is to be accomplished on a one-time basis. In resetting such minimum sentences, the Board is to treat each prisoner as if he has just been incarcerated and is not to consider his conduct since his incarceration. In no event is the minimum sentence of any prisoner to be increased and, for the purposes of this one-time review and resetting, the

determinations of the Board are not to be subject to the Governor's approval. Further, after a minimum sentence is reset pursuant to this Act, it is to be further reduced by the amount of good time earned by the prisoner under the provisions of Sections 353-39, 353-44, 353-45 and 353-46.

Your Committee finds that approval by the Governor of the determinations of the Board has produced significant administrative delays in refixing minimum sentences. The comprehensive review and resetting required by this bill would take an extremely long period of time if the Governor's approval were required. Accordingly, for the purposes of this review only, the determinations of the Board are to be final.

Your Committee is in accord with the intent and purpose of **H. B. 1521-70** as amended herein, and recommends its passage on second reading and its referral to your Committee on Judiciary in the form attached hereto as **H. B. 1521-70, H. D. 1**.

Signed by all members of the Committee.

SCRep. 286-70 Public Health, Youth and General Welfare on **H. B. No. 1290-70**

The purpose of this bill is to control the emission of pollutants from motor vehicles by requiring new motor vehicles and used motor vehicles imported into this State by used car dealers to be equipped with air pollution control devices in good working order.

Your Committee has converted this short-form bill into long form.

Under this bill, any new motor vehicle and any used motor vehicle imported into this State by a used car dealer would be checked at the same time as the yearly safety check to see if it is equipped with an air pollution control device in good working order. If it is so found, a certificate of inspection would be issued and a sticker affixed to the vehicle. Any person operating a motor vehicle without a current certificate of inspection or who disconnects,

modifies or alters the air pollution control device would be guilty of a misdemeanor. Any used car dealer who imports a used motor vehicle not equipped with an air pollution control device in good working order would be guilty of a misdemeanor.

Your Committee is in accord with the intent and purpose of **H. B. No. 1290-70**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 1290-70 H. D. 1** and its referral thereafter to the Committee on Judiciary.

Signed by all members of the Committee except Representative Roehrig.

SCRep. 287-70 Government Efficiency and Public Employment on **H. B. No. 1439-70**

The purpose of this bill is to exclude from the three-year Hawaii residency requirement a United States citizen who was a Hawaii State resident for three years before establishing residence in another state and who reestablishes residence in the State.

Under present residency requirements for State employment, a former resident who has established residency in another state would be treated in the same manner as those individuals who have never lived in, or even visited the State. The present law lessens the opportunity for former residents to return to Hawaii. Under the proposed amendment, the State would be the recipient of the benefits that former local people could contribute from the added education and broader base of experience which they gained elsewhere. Many former residents possess skills which are in short supply and are needed by the State. This amendment will also restore to former residents the right to be employed in their home state.

Your Committee is in accord with the intent and purpose of **H. B. No. 1439-70** and recommends its passage on second reading, and its referral to the Committee on Judiciary for further consideration.

Signed by all members of the Committee except Representatives Takamine, Meyer

and Oda.

SCRep. 288-70 Government Efficiency and Public Employment on **H. B. No. 1321-70**

The purpose of this bill is to supplement the program presently carried on by the Center for Governmental Development and to make an appropriation to the Center for the purpose of carrying out the functions of the Center.

The Center for Governmental Development provides in-service training, scholarships, internships and other means to aid in the development of government officers and employees. At the present time, the Center is doing a commendable job of training people in the administrative classes. However, due to lack of sufficient funds the training program is limited in scope. This bill provides for furnishing more funds to the Center so that the program can be broadened and made more meaningful.

Your Committee heard testimony from the Director of the Department of Personnel Services and from the Dean of the Division of Continuing Education (of which the Center for Governmental Development is a subdivision). This bill calls for an appropriation out of the general funds of the State of Hawaii to be made to the Department of Personnel Services. It was recommended by both the Director of the Department of Personnel Services and the Dean of the Division of Continuing Education that the appropriation be made directly to the Center for Governmental Development for purposes of administrative expenditure. Your Committee is in agreement with their recommendation and finds that Section 2 of **H. B. No. 1321-70** should be amended to allow the Center for Governmental Development to be the direct recipient of the appropriated fund.

Your Committee also recommends that the last sentence of Section 81-5, Hawaii Revised Statutes should be amended to read that the Center may receive donations, gifts, and allotments from other agencies which are to be used at "the discretion of the director of the center for government development". For pur-

poses of administrative consistency, your Committee feels that this proposed amendment is necessary to insure that the Director of the Center for Government Development would have the discretionary authority for the expenditure of funds appropriated by the legislature and moneys received as donations, gifts, and allotments from other agencies.

Your Committee has converted the form of the bill to comply with House Rule 24(2).

Your Committee is in accord with the intent and purpose of **H. B. No. 1321-70**, as amended herein, and recommends its passage on second reading and its referral to the Committee on Finance in the form attached hereto as **H. B. No. 1321-70, H. D. 1.**

Signed by all members of the Committee.

SCRep. 289-70 Government Efficiency and Public Employment on **H. B. No. 1440-70**

The purpose of this bill is to extend the right of the appointing authorities to grant non-competitive promotions and to remove discriminatory provisions concerning the position of unskilled laboring employees. Under the existing law an appointing authority may promote a qualified employee from his department without basing the selection on the results of a formal examination administered by the Department of Personnel Services. However, should the appointing authority wish to fill a vacancy in his department by promoting an employee from another department, he is required to request that a formal competitive examination be held. The present bill makes the requirement for such an examination optional and emphasizes the philosophy that such promotions shall be based on merit and fitness. These changes will provide management with a broader selection of State employees in filling vacancies with the most capable and appropriate individual. Furthermore, the change will also provide more equitable promotional opportunities for all State employees regardless of the department in which they may be employed. The present requirements

restrict promotional opportunities for certain employees since such opportunities for advancement do not exist within their present employing department.

The bill also concerns special promotional requirements for employees performing unskilled laboring work. At present the unskilled labor employee cannot be promoted to a skilled labor or trade position unless he has already served one year as such skilled laborer or tradesman. Consequently, an individual without any such experience prior to employment with the State must work at a higher level of position classification for one year before he may be promoted. This requirement is contrary to the merit system principles that employees be classified and compensated appropriately for the work they are actually doing and that State employees be treated equally. The present bill eliminates this special requirement and will result in the equal treatment of all employees, including unskilled laborers, under the general provisions concerning promotions.

Your Committee has converted the form of the bill to comply with House Rule 24(2).

Your Committee is in accord with the intent and purposes of **H. B. No. 1440-70** as amended herein and recommends that it pass second reading, and that it be referred to your Committee on Finance in the form attached hereto as **H. B. No. 1440-70, H. D. 1.**

Signed by all members of the Committee except Representatives Takamine, Meyer and Oda.

SCRep. 290-70 Government Efficiency and Public Employment on **H. B. No. 1860-70**

The purpose of this Act is to authorize the State and the political subdivisions of the State to adopt rules and regulations on the various kinds of leaves contained in Chapter 79, Hawaii Revised Statutes. In the adoption of these rules and regulations, the procedures prescribed in the Hawaii State Administrative Procedures Act will be followed.

In Chapter 79, Hawaii Revised Statutes,

the following kinds of leaves are found: (1) vacation, (2) sick leave, (3) funeral leave, (4) court witness services and jury duty, (5) accidental injury leave, (6) loan to other government, (7) services at State Legislature, (8) military leave, and (9) pre-induction examination. Collectively, these leaves make up an important portion of the public personnel management program. However, only for vacation and sick leave is there legal authority to adopt rules and regulations.

Section 1 of this bill repeals the existing Section 79-12, Hawaii Revised Statutes, which authorizes the Governor and the respective mayors to adopt rules and regulations only on vacation and sick leave. Section 2 of this bill adds a new section which authorizes the adoption of rules and regulations on the various leaves covered in Chapter 79.

Your Committee is in accord with the intent and purpose of **H. B. No. 1860-70**, and recommends its passage on second reading and its referral to the Committee on Finance for further consideration.

Signed by all members of the Committee except Representatives Meyer and Oda.

SCRep. 291-70 Government Efficiency and Public Employment on **H. B. No. 2038-70**

The purpose of this bill is to give the head of a department the authority to set the salary of this deputy at an amount which is no less than 85% nor more than 95% of the department head's salary.

At the present time, although salary ranges were raised in the compensation law covering first deputies and first assistants to department heads, the legal ceiling of 85% of the department head's salary imposes salary limitations which are not competitive. A raising of the ceiling for deputies to 95% of the department head's salary will permit increases for deputies to an amount which will be more attractive. The intent of the bill is in accord with the expressed legislative intent to retain and attract qualified personnel in the public service.

It is worthy to note that Section 46-24, Hawaii Revised Statutes permits county deputies to receive 95% of their department head's compensation while the state allows only up to 85%.

Your Committee is in accord with the intent and purpose of **H. B. No. 2038-70** and recommends its passage on second reading, and its referral to the Committee on Finance for further consideration.

Signed by all members of the Committee.

SCRep. 292-70 (Majority) Select Committees of Kauai, Oahu, Maui and Hawaii Representatives on **H. B. No. 1723-70**

The purpose of this bill is to recognize and promote the principle of Home Rule in the counties by restoring the matter of the establishment of salaries of members of county councils to the counties.

A public hearing was held jointly by your Select Committees and all county officials were invited to testify. Those present were Mayor Frank F. Fasi, City and County of Honolulu; Councilman Ralph Hirota, County of Kauai; and Mr. Wendell Kimura, Corporation Counsel, County of Hawaii, on behalf of Mayor Shunichi Kimura.

Testimony was received in support of the bill from the Mayor of the City and County of Honolulu. The County of Kauai testified that they met, and in discussion agreed to comply by introducing an ordinance effective next term pursuant to the salary increase of the chairmen of the councils and members of the councils enacted by the Fifth Legislature of 1969. The County of Hawaii stated that they take no position on the matter.

It is noted by your Select Committees that only in the cases of the City and County of Honolulu and the County of Kauai has testimony been made. Further, personal letters together with notices and pertinent information concerning the public hearing were dispatched by special delivery mail to mayors of all the counties and all legislative chairmen of the respective county councils. Your Select Commit-

tees view the failure of the County of Maui and the County of Hawaii to communicate with your Committees as tacit acquiescence of **H. B. No. 1723-70**.

Charters of each of the counties have each been developed as a result of careful and comprehensive study. The Home Rule precept was basic to their formulation. And, consistent therewith, Act 223, Session Laws of Hawaii 1965 states that "[a]ny law to the contrary notwithstanding, each county including the City and County of Honolulu by ordinance shall fix the salaries for its officials whose salaries are presently specifically established by statute or ordinance".

Notwithstanding the charter and said Act 223, salary increases for county officials have been effectuated by the State Legislature in 1959, 1962 and 1969 and also by the counties on certain other instances. It is the intent of your Select Committees that the principle of Home Rule be applied consistently and in an equitable manner. Thus, **H. B. No. 1723-70** restored salaries of county officials to their previous status in effect on June 30, 1969, until such time as the respective counties shall fix the salaries of chairmen of the councils and members of the councils as provided for in the respective charters. This, in essence, is a reaffirmation of the Home Rule tenet.

Your Select Committees of Kauai, Oahu, Maui and Hawaii Representatives are in accord with the intent and purpose of **H. B. No. 1723-70** and recommend that it pass second reading and that it be referred to your Committee on Finance.

Signed by all members of the Committee except Representatives Heen and Roehrig. Representative Takamine did not concur.

SCRep. 293-70 Education on **H. B. No. 1745-70**

The purpose of this bill is to authorize the progressive neighborhoods task force to negotiate a contract with Kamehameha Schools to implement a five-year early education demonstration project with the following minimum expectations:

1. To develop a body of facts about educating the young Hawaiian child.

2. To develop practical techniques for improving the public education of Hawaiian children.

3. To provide adequate data and experience upon which to base future expansion.

4. To build a complete, operational program including a corps of trained personnel ready to carry out and expand the program if it is found to be effective.

5. And finally, to serve a substantial number of teachers and students in Kona, Waimanalo and Kalihi for the five-year duration of the project.

The project calls for the establishment of a research demonstration school in Waimanalo. The demonstration school would do research on educational problems which come about due to cultural differences, ineffective teaching methods, or irrelevant course content. Whatever is found to be successful will be shared with Hawaii's public schools where similar educational problems exist.

The estimated cost of the five-year demonstration project is 1.2 million dollars of which the State would underwrite 50% of the cost and Kamehameha Schools the other 50%. The first year cost to the State will be \$66,000, subject to equal funding by Kamehameha Schools.

Your Committee is in accord with the intent and purpose of **H. B. No. 1745-70** and recommends its passage on second reading and recommends its referral to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 294-70 Select Committee of Oahu Representatives on **H. B. No. 1893-70**

The purpose of this bill is to make an appropriation of \$150,000 for the planning and construction of a State fresh water park and camping ground at Wahiawa, Oahu. Your Committee finds that the

Department of Land and Natural Resources using a previous legislative appropriation is presently engaged in initiating planning for a fresh water park in Wahiawa. The proposed park site which adjoins the Wahiawa Reservoir covers an area of approximately 65 acres. The proposed park will present a unique opportunity for the people of Hawaii to enjoy a park and camp site having a fresh water lake as its chief attraction.

Your Committee is in accord with the intent and purpose of **H. B. No. 1893-70** and recommends its passage on second reading and that it be referred to your Committee on Finance.

Signed by all members of the Committee except Representative Pacarro.

SCRep. 295-70 Select Committee on Oahu Representatives on **H. B. No. 1735-70**

The purpose of this bill is to empower the chief executive officer of each county to appoint the Examiner of Chauffeurs in each county. Under present law the legislative body of the county is empowered to appoint the Examiner of Chauffeurs.

Hawaii's State driver licensing law is administered at the county level, through the police department of each county. Act 128, Session Laws of 1969 amended Chapter 286, Part VI to shift the power to appoint the Examiner of Chauffeurs from the chief of police to the county legislative body. The Examiner of Chauffeurs administers the licensing provisions of the Highway Safety Law.

Your Committee finds that it would be more in keeping with the principles of effective governmental administration to have the Examiner of Chauffeurs appointed by the chief executive officer of the county rather than the legislative branch.

Your Committee has converted the form of this bill to conform with the requirements of House Rule 24(2).

Your Committee is in accord with the intent and purpose of **H. B. No. 1735-70**,

as amended herein, and recommends that it pass second reading in the form attached hereto as **H. B. No. 1735-70, H. D. 1**, and that it be referred to your Select Committee of Kauai Representatives.

Signed by all members of the Committee.

SCRep. 296-70 Select Committee of Oahu Representatives on **H. B. No. 1608-70**

The purpose of this bill is to appropriate the sum of \$580,000 or so much thereof as may be necessary for the construction of a stadium at Kaimuki High School, Oahu.

Your Committee is in accord with the intent and purpose of **H. B. No. 1608-70** and recommends that it pass second reading and be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 297-70 Select Committee of Oahu Representatives on **H. C. R. No. 73**

The purpose of this Resolution is to request the City and County of Honolulu to consider creating, pursuant to Article 12 of the Comprehensive Zoning Code an Historic, Cultural and Scenic Zoning District for the urban environs of Diamond Head for the protection of Diamond Head State Monument.

The Resolution further requests the City and County to review the 1967 study made by Pacific Planners at the request of the State Department of Land and Natural Resources to aid in its planning of this Historic, Cultural and Scenic Zoning District. The Resolution further requests the City and County to work jointly with the Division of State Parks, Department of Land and Natural Resources; Department of Planning, City and County of Honolulu, and the Hawaii Foundation for History and Humanities, in this preservation and planning endeavor.

The Resolution request the Director of the Division of State Parks and the Direc-

tor of the Department of Planning, City and County of Honolulu, to report their findings and prepared plans to the Legislature 20 days prior to the convening of the Legislature of 1971.

Your Committee finds that Diamond Head has been designated by the Executive and Legislative branches of the State government as a State Monument, and has further been designated by the United States Department of Interior as a natural landmark. It cannot be denied that Diamond Head symbolizes Hawaii to the rest of the world. The provisions of Article 12 of the Comprehensive Zoning Code, which empowers the City and County to designate Historic, Cultural and Scenic Zoning Districts, utilized in conjunction with the plan made by the Department of Land and Natural Resources, will constitute a useful tool in furthering the policy of the Federal, State, and County Governments to preserve Diamond Head and its natural environs for the pleasure of the people of Hawaii and the world.

Your Committee is in accord with the intent and purpose of **H. C. R. No. 73** and recommends that it be referred to your Committee on Lands.

Signed by all members of the Committee.

SCRep. 298-70 Select Committee of Oahu Representatives on **H. R. No. 161**

The purpose of this Resolution is to request the City and County of Honolulu to consider creating, pursuant to Article 12 of the Comprehensive Zoning Code an Historic, Cultural and Scenic Zoning District for the urban environs of Diamond Head for the protection of Diamond Head State Monument.

The Resolution further requests the City and County to review the 1967 study made by Pacific Planners at the request of the State Department of Land and Natural Resources to aid in its planning of this Historic, Cultural and Scenic Zoning District. The Resolution further requests the City and County to work jointly with the Division of State Parks, Department of Land

and Natural Resources; Department of Planning, City and County of Honolulu, and the Hawaii Foundation for History and Humanities, in this preservation and planning endeavor.

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Your Committee is in accord with the intent and purpose of **H. R. No. 161** and recommends that it be referred to your Committee on Lands.

Signed by all members of the Committee.

SCRep. 299-70 Select Committee of Hawaii Representatives on **H. R. No. 170**

The purpose of this resolution is to request the Water and Land Development Division, Department of Land and Natural Resources and the Board of Water Supply, County of Hawaii, to coordinate the plans and efforts for the development of a quality water system for the entire Kau area, County of Hawaii. The existing water facilities and reservoirs in the Kau region appear to be inadequate to meet the needs

of this development area.

Your Committee concurs with the purpose of **H. R. No. 170** and recommends that it be referred to your Committee on Lands.

Signed by all members of the Committee except Representative Roehrig.

SCRep. 300-70 Select Committee of Hawaii Representatives on **H. R. No. 163**

The purpose of this resolution is to request the Department of Planning and Economic Development to conduct a study on the feasibility of the extensive use of bagasse as fuel for the generation of electricity on the Island of Hawaii.

Your Committee concurs with the purpose of **H. R. No. 163** and recommends that it be referred to your Committee on Economic Development.

Signed by all members of the Committee except Representative Roehrig.

SCRep. 301-70 Select Committee of Hawaii Representatives on **H. R. No. 162.**

The purpose of this resolution is to request the Department of Land and Natural Resources to take immediate action to make land available to the County of Hawaii in the Komohana area for the purpose of a county park. Additionally, the resolution requests the Mayor and the County Council of Hawaii to plan, develop, and equip a county park in the Komohana area.

Your Committee concurs with the purpose of **H. R. No. 162** and recommends that it be referred to your Committee on Lands.

Signed by all members of the Committee except Representative Roehrig.

SCRep. 302-70 Judiciary on **H. B. No. 1813-70**

The purpose of this Act is to amend Section 711-78, Hawaii Revised Statutes, so as to allow district magistrates to appoint

volunteer probation officers to counsel misdemeanants, in addition to such authority, as under said section, is now vested in the circuit judges in felony cases.

Such probation officers, who serve without compensation, are trained and supervised by professional social workers. Their appointment is on a "selective" basis, such that the probationer may relate to the background of the particular volunteer and benefit therefrom. This service which is endorsed and sponsored by the judicial branch, helps fill the constant professional social worker shortage, without cost to the State.

Your Committee is in accord with the intent and purpose of **H. B. No. 1813-70** and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 303-70 Finance on H. B. No. 1679-70

The purpose of this bill is to provide for the operation of the Hawaii wing of the Civil Air Patrol on a statewide basis. The bill increases the annual appropriation of the Civil Air Patrol from \$30,000 to \$50,000. The wing commander is permitted to employ more than one assistant should it be necessary that assistants be appointed for the major islands.

Your Committee has also amended subsection (b) of Section 261-6 by allowing the Civil Air Patrol to expend funds for upkeep, replacement or purchase of communications equipment provided that such expenditures are necessary and otherwise unobtainable by grants or gifts from any other source. This amendment would permit the Civil Air Patrol to upgrade its communications systems by replacing equipment purchased in 1951.

Your Committee is in accord with the intent and purpose of **H. B. 1679-70, H. D. 1**, recommends its passage on third reading.

Signed by all members of the Committee.

SCRep. 304-70 Lands on H. B. No. 1276-70

The purpose of the bill is to amend Chapter 206, the Oahu Development Act, so as to meet present housing needs, and make the act workable. It also transfers the authority to implement the chapter from the Department of Land and Natural Resources to the Hawaii Housing Authority and extends its coverage to the entire state instead of only to the island of Oahu.

Section 1. Section 206-7 details private property which may not be acquired by the board for development purposes. Subparagraph (3) presently provides that lands in the process of subdivision and development, where the owner or his agent has provided that at least 50% of the lots to be sold shall be sold in fee simple, and he has already prepared subdivision and construction plans, arranged for financing and applied to government agencies and taken such other steps as may be appropriate for the construction of the proposed development, shall not be taken. **H. B. No. 1276-70** would make the language of the subparagraph more explicit by also specifying that the developer must have submitted a schedule of the development to the board specifying projected completion dates of the increments.

Section 2. Amends Section 206-8 to enable the board to extend the coverage provided by Chapter 206 to public lands covered by Act 68 of the 1968 legislative session.

Section 3. Amends Section 206-10 by (a) changing the present five years repurchase option period to ten years, (b) changing the method of establishing the repurchase price from the present original land cost plus replacement value of improvements, and (c) changing the present provision that an original purchaser shall construct a residence within two years to an unspecified period of time.

Your Committee has amended **H. B. No. 1276-70** by adding a new Section 1 which transfers the authority to implement Chapter 206 from the Department of Land and Natural Resources to the Hawaii Housing Authority. In addition, it makes the law

applicable to the entire state instead of limiting it to only the island of Oahu. The Hawaii Housing Authority is already responsible for the implementation of the "Maryland Land Law," which means that the authority has power to acquire private lands and resell to individuals. The responsibility of acquiring private lands for housing purposes should not be divided amongst several departments, instead it should be concentrated in one agency. Also, the application should be to all counties since all islands are experiencing housing shortages.

Your Committee has further amended **H. B. No. 1276-70** by deleting the words "provided that at least fifty percent of the lots to be sold shall be sold in fee simple" in Section 1 and renumbered it to read Section 2. The cost of on-site and off-site developments has become so high that the "gap income" group has found residential lots beyond their reach. It appears that the time has come when leaseholds instead of fee simple sales are in order. Also, many of the subdividers prefer to lease their lots rather than selling them in fee. The important fact being that we should encourage more home lots to be put on the market.

Section 2 has been renumbered Section 3 and amends Section 206-8 to enable the Hawaii Housing Authority to exercise the same powers provided by Act 68 of the 1968 legislative session, the so-called private developers bill, to the Department of Land and Natural Resources. However, such authorization is limited to only the development of subdivisions for single family or multiple family residential uses.

Section 3 has been amended by renumbering it Section 4 and deleting on line 7, paragraph (a) the words "For a period of ten years after the date of purchase of any lot under this chapter (which date shall be deemed to be the date of the agreement of sale or deed under which the lot was originally purchased or agreed to be purchased) the lot," and substituting in lieu thereof the words "Any lot purchased under this chapter." This amendment will provide a safeguard against speculation since the State will have the first option to purchase such lots before they can be

sold to others by the original purchaser or his heirs."

The words "and his heirs" are added following the words "original purchaser" wherever they appear.

Paragraph (b) (3) on line 25 is amended by deleting the words "cost of" and substituting in lieu thereof the words "purchaser's and his heirs' equity in."

Paragraph (d) was amended by inserting in the blank space on line 11 the word "three." This will allow a purchaser sufficient time to arrange for his financing even in a tight money market situation.

Your Committee is in accord with the intent and purpose of **H. B. No. 1276-70** as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 1276-70, H. D. 1**, and that it thereafter be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 305-70 Government Efficiency and Public Employment on **H. B. No. 1816-70**

The purpose of this Act is to exempt employment in Federal fund Office of Economic Opportunity and model cities projects whenever preferential requirements are prescribed, or when crash projects arise, and to exempt students employed in Hawaii State departments.

Federal Fund Office of Economic Opportunity and model cities projects sometime require the employment of persons who are economically disadvantaged, who are unemployed and have been unemployed for long periods and who are residents of the model cities areas. While these requirements were properly motivated, they are in direct opposition to some of the basic principles of the merit system. With temporary crash projects of short duration, the time factor is critical to the completion of the project. Summer students hired by various departments provide services which would not otherwise be furnished and the students undergo a

work-learning experience.

Your Committee is in accord with the intent and purpose of **H. B. 1816-70** and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee except Representatives Takamine, Meyer and Oda.

SCRep. 306-70 Government Efficiency and Public Employment on H. B. No. 2105-70

The purpose of this bill is to avoid conflicts of interest on the part of the attorney general and the county attorney in reference to representation of parties in an appeal hearing before the state civil service commission.

The second sentence of the last paragraph of Section 76-47, Hawaii Revised Statutes states that, in an appeal hearing before the state civil service commission, the attorney general represents the commission and the county attorney represents the appointing authority. This bill amends this provision by reversing the representation setup: in an appeal hearing before the state civil service commission, the attorney general would be counsel for the appointing authority and the county attorney would be counsel for the commission. The rationale here is that in all matters connected with the public duties of the appointing authority on the state governmental level the attorney general is the primary source of legal advice.

Your Committee has converted the form of the bill to comply with House Rule 24(2).

Your Committee is in accord with the intent and purpose of **H. B. No. 2105-70**, as amended herein, and recommends that it pass second reading and be placed on the calendar for third reading in the form attached hereto as **H. B. No. 2105-70, H. D. 1.**

Signed by all members of the Committee except Representatives Takamine, Meyer and Oda.

SCRep. 307-70 Printing and Revisions

Informing the House that **House Resolution Nos. 254 to 259, House Concurrent Resolution Nos. 95 to 99, Standing Committee Report Nos. 308-70 to 334-70** have been printed and distributed.

Signed by all members of the Committee.

SCRep. 308-70 Select Committees of Kauai, Oahu, Maui and Hawaii Representatives on H. B. No. 2093-70

The purpose of the Bill is to establish a procedure to be used in excluding from each county's debt limitations certain types of county general obligation bonds in compliance with the 1968 amendments to Section 3 of Article VI of the State Constitution.

Section 3 of the Constitution provides that the determination of such exclusions shall be made annually and certified by law or as prescribed by law. In the absence of a law establishing a procedure, the counties are unable to carry out the requirement that certain types of obligations be excluded.

The bill does not make a substantive change in the law.

Your Select Committees of Kauai, Oahu, Maui and Hawaii Representatives are in accord with the intent and purpose of **H. B. No. 2093-70** and recommend that it pass second reading and that it be referred to your Committee on Finance.

Signed by all members of the Committee except Representative Roehrig.

SCRep. 309-70 Public Institutions and Social Services on H. B. No. 1446-70

The purpose of **H. B. No. 1446-70**, as amended herein, is to amend various sections of Chapters 353 and 354 to provide for a realistic compensation rate for labor performed by prisoners, to increase the amount of the discharge allowance, to provide for the custody of funds to which prisoners are entitled, and to provide for the

disposition of such funds.

Your Committee finds that existing provisions of the Hawaii Revised Statutes regarding compensation of prisoners are antiquated and inadequate. As a result, prisoners are frequently returned to society without sufficient funds to assist them in making necessary adjustments. This practice is detrimental not only to the prisoners themselves but to the public at large. Providing prisoners with an opportunity to earn a reasonable sum during their incarceration and furnishing them with a sufficient discharge allowance will best serve the rehabilitative policies now followed by the State.

Section 1 of the bill as originally drafted provided that discharged prisoners shall be furnished funds and clothing sufficient to meet their immediate needs. Your Committee has amended this Section to provide that such funds shall not exceed \$100.00, and finds that this is a reasonable amount when considered in connection with the opportunity of prisoners to earn compensation during their incarceration.

Section 2 of the bill authorizes the Director of Social Services to classify, grade and fix earnings to be paid to prisoners. This Section has been amended in the interests of clarity to provide that the Director has such authority with respect to prisoners confined in any correctional facility within the State.

Section 3 of the bill as originally drafted provided that every prisoner working within a State correctional facility or engaged in a training or educational program may be allowed such graduated sums of money as the Director may determine. This Section has been amended to provide that such graduated sum may not exceed \$5.00 nor be less than \$2.00 per day. Your Committee finds that this range is reasonable if prisoners are to be adequately compensated.

Section 4 of the bill as originally drafted provided that monies to which prisoners are entitled shall be held in a trust account to the credit of the prisoners' compensation fund. Your Committee has amended

this Section to provide that such sums shall be held in an individual bank account to the credit of the prisoner concerned. Your Committee finds that the welfare and morale of prisoners within the State will be enhanced if each prisoner has such an individual account. Your Committee has also amended this Section to provide that all monies confiscated during a prisoners incarceration shall be deposited in his individual account.

Section 5 of the bill as originally drafted provided that the Department of Social Services may allow any prisoner to draw from funds in his account such amounts and for such purposes as it may deem proper. This Section also provided that if any prisoner is of bad conduct, breaks the rules and regulations, or in any way fails to conform to discipline or training, the Department may declare forfeited the whole or any portion of money held to his credit. Your Committee has repealed this provision, and finds that the rehabilitated process will be best served if prisoners are allowed a vested right in any monies to which they become entitled under the law. Your Committee has also repealed the provision of this Section providing that funds not claimed by a prisoner within thirty (30) days after parole or discharge shall become a State realization. Section 5 has been further amended to specify that upon the death of any prisoner any monies to which he may have been entitled shall be distributed as provided by law in the same manner as his other property.

Section 6 of the bill repeals Section 353-29 which prohibits any prisoner from receiving monetary benefits until he has served at least three months of his sentence.

Section 7 of the bill has been amended by your Committee to provide that inmates may be paid a daily wage of not more than \$5.00 and not less than \$2.00. This amendment is necessary to insure that Sections 353-25 and 354-2 are consistent.

The title of the bill has been amended to read as follows: "A BILL FOR AN RELATING TO COMPENSATION OF PRISONERS." This title more fully

expresses the purpose of the bill both as originally drafted and as amended herein.

Your Committee is in accord with the intent and purpose of **H. B. No. 1446-70**, as amended herein, and recommends its passage on second reading and its referral to your Committee on Finance in the form attached hereto as **H. B. No. 1446-70, H. D. 1.**

Signed by all members of the Committee except Representative Inaba.

SCRep. 310-70 (Majority) Government Efficiency and Public Employment on H. B. No. 2020-70

The purpose of this bill is to convert employees permanently occupying positions necessary to operate and maintain the Foreign Trade Zone in the Department of Planning and Economic Development to permanent civil service status.

The State positions in the Foreign Trade Zone were initially granted an exempt status, but such status has since expired. This bill would insure that personnel employed by the State in the Foreign Trade Zone would have the same rights, benefits and privileges attributable to other State civil service employees.

Your Committee feels that if it is the intention of this bill to provide this assurance, **H. B. No. 2020-70** should be amended on technical grounds. For reason of clarification your Committee has amended the first sentence of the proposed new Section 212 by defining more specifically the term "employees" as used therein. Further, for reason of consistency, your Committee recommends that the phrase "have their permanent exemptions" be deleted.

Your Committee has converted the form of the bill to comply with House Rule 24(2).

Your Committee is in accord with the intent and purpose of **H. B. No. 2020-70**, as amended herein, and recommends its passage on second reading and its referral to the Committee on Finance in the form attached hereto as **H. B. No. 2020-70, H. D. 1.**

Signed by all members of the Committee. Representative Devereux did not concur.

SCRep. 311-70 Select Committee of Oahu Representatives on H. B. No. 1760-70

The purpose of this bill is to provide an appropriation to be expended by the Department of Land and Natural Resources for the purchase of vacant lots in the Kalihi-Palama area for development as mini-parks. Your Committee finds that there is an urgent need for recreational areas in the Kalihi-Palama district. The Department of Land and Natural Resources has testified that while development of park areas is normally a county function, the Department is willing to carry out the land acquisition program provided for in the bill.

Your Committee is in accord with the intent and purpose of **H. B. No. 1760-70** and recommends that it pass second reading and that it be referred to your Committee on Lands.

Signed by all members of the Committee.

SCRep. 312-70 Higher Education on H. B. No. 1524-70

The purpose of this bill is to appropriate the sum of \$150,000, or so much thereof as may be necessary for the planning, construction, and equipping of a community services center at Honolulu Community College.

The growth of the student population at Honolulu Community College is steadily and sharply increasing, going from 1,383 students in the fall of 1968 to a projected enrollment of 2,210 in the fall of 1970. The growth of facilities, however, has lagged far behind, with today's facilities being highly inadequate for the present, let alone future enrollments. The creation of a student services center at Honolulu Community would greatly enhance the meager physical facilities available for the students.

It was noted during your Committee's hearing on this bill that the nucleus for such

a center already exists in the form of the student cafeteria. It is the plan of Honolulu Community College that certain renovations be made to the cafeteria building, which, with the addition of supplementary equipment, could be converted to a very functional center. The renovation of an already existing facility will preclude the necessity for extensive construction on this project, and hopefully will reduce the cost of the community services center correspondingly.

Your Committee is in accord with the intent and purpose of **H. B. 1524-70**, and recommends its passage on second reading, and its referral to the House Committee on Finance.

Signed by all members of the Committee except Representative Roehrig.

SCRep. 313-70 Higher Education on H. B. No. 1663-70

The purpose of this bill is to appropriate \$150,000 or so much thereof as may be necessary for the planning of a construction trade instructional complex at Honolulu Community College.

The Community Colleges in the University of Hawaii System perform a multiple function, offering college transfer courses, continuing education courses, and vocational training. Thus, in planning for a total system of Higher Education, each of these facets must be given due consideration. With the community college system programmed to relieve the overload on the four year campuses by expanding their college transfer programs, there becomes an immediate danger that the other programs in the community colleges will be deemphasized to accomplish this. The need to preserve and expand the vocational and technical offerings, however, has never been greater.

The need for a new trade instructional complex is dramatic and well documented. In 1951 when the present trade building was constructed, there were only 433 apprentices in the whole State. Today this number has grown to more than 2747. In the field of carpentry alone, there were 43

young men in the program in 1951, and there are 959 indentured carpenter apprentices registered in the program today. Thus, the construction of such a facility would accommodate not only the day school program at Honolulu Community College, but would also service the apprenticeship or post-vocational programs, which include some 2,300 evening division students.

It was indicated in testimony before your Committee that the construction of the proposed facility at Honolulu Community College would serve as the first step in the specialization program for community colleges, whereby community colleges on Oahu would attempt to specialize their vocational offerings where possible to enable the system to offer higher caliber courses to more students by avoiding costly duplication. Your Committee endorse this approach for community colleges located on Oahu.

Your Committee is in accord with the intent and purpose of **H. B. 1663-70**, and recommends its passage on second reading, and its referral to the House Committee on Finance.

Signed by all members of the Committee except Representative Roehrig.

SCRep. 314-70 Higher Education on H. B. No. 1533-70

The purpose of this bill is to appropriate money for capital improvements at Honolulu Community College, in the specific amounts of \$120,000 for site development and landscaping, \$3,500,000 for design and construction of a library-classroom building, and \$1,200,000 for land acquisition of adjoining lands for expansion of the campus.

We are presently witnessing phenomenal expansion of the total University of Hawaii System. While the anticipated enrollment trends for the next several years are dramatic, the system-wide planning to accommodate these students has left several gaps which, if not remedied, could well leave us with a system which cannot provide quality education to the anticipated quan-

tity of students.

Of particular consequence is the situation at Honolulu Community College, which is not scheduled to have additional facilities operational before 1976. Stated another way, the same facilities which are woefully inadequate for today's 1,787 students are expected, with projected enrollments, to service more than two thousand additional students before they are augmented in 1976. This imbalance between enrollment and facilities which today is difficult and frustrating, poses an appalling dichotomy for the future.

The highest priority capital improvement project at Honolulu Community College must be for the immediate construction of a classroom-library building to service the educational needs of the students. At the present time, there is only one permanent classroom building on the campus, and this contains only eight classrooms. The library of Honolulu Community College is small, cramped and inadequate. An eight story combination library-classroom building, which is in the final stages of planning, is not scheduled for completion until 1976. Plans have progressed to a sufficient stage, however, that if funds were to be made available, construction on this building could commence almost immediately.

In order that Honolulu Community College might accommodate additional facilities at a future date, it is desirable that the size of the campus be increased. There are two parcels of land contiguous with the present campus, containing a total additional area to the campus of 38,600 square feet. Since the cost of land is a continuously rising factor, it is desirable that this land be purchased at today's prices to provide for tomorrow's needs.

Your Committee is in accord with the intent and purpose of **H. B. 1533-70**, and recommends its passage on second reading, and its referral to the House Committee on Finance.

Signed by all members of the Committee except Representative Roehrig.

SCRep. 315-70 Public Institutions and Social Services on H. R. No. 120

The purpose of **H. R. No. 120**, as amended herein, is to request the State Law Enforcement and Juvenile Delinquency Planning Agency, in conjunction with the Departments of Social Services and Personnel Services, to undertake the comprehensive review of salaries paid correctional workers throughout the State.

Your Committee finds that a serious problem exists in attracting and retaining competent and motivated personnel to the corrections field. Presently, many authorized positions in the field cannot be filled because of an inadequate salary scale. Increased pay will aid recruitment and retention of qualified personnel and thus will greatly increase the effectiveness of correctional programs.

Your Committee further finds that there is no central authority within Hawaii to administer all correctional programs. The State Law Enforcement and Juvenile Delinquency Planning Agency is thus best equipped to accomplish the overall review requested by this resolution. It is intended that the Agency be responsible for the conduct of the review and the preparation of the requested report. However, since the Departments of Social Services and Personnel Services are deeply involved in the area, the Agency is to undertake its review with their assistance and cooperation. The results of the requested study will be used by these departments as a guide in taking appropriate steps to improve the salaries of correctional workers.

The resolution as originally drafted made no reference to the Department of Personnel Services. Since that Department is vitally concerned with the problem, the resolution has been amended accordingly.

Your Committee is in accord with the intent and purpose of **H. R. No. 120**, as amended herein, and recommends its referral to your Committee on Finance in the form attached hereto as **H. R. No. 120, H. D. 1.**

Signed by all members of the Committee.

SCRep. 316-70 Public Health, Youth and General Welfare on **H. B. No. 2046-70**

The purpose of this bill is to prohibit or control excessive noise caused by persons, including partnerships, corporations and other legal entities.

Your Committee has converted this short-form bill into long form. Your Committee has also amended the title of the bill to read: "A BILL FOR AN ACT RELATING TO EXCESSIVE NOISE." — the term "noise pollution" not being precise and the term "excessive noise" being more appropriate.

Under this bill the Department of Health would make such rules and regulations, including standards of excessive noise for different areas of the State, as are necessary to prohibit or control excessive noise caused by any person. The Department may also organize a county advisory excessive noise control association which would study excessive noise problems of the county and advise the Department of Health regarding these problems. The Department of Health may institute a civil action for injunctive relief to prevent any violation of the provisions of this bill. Any person guilty of making any excessive noise would be guilty of a misdemeanor.

Your Committee is in accord with the intent and purpose of **H. B. 2046-70**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. 2046-70, H. D. 1**, and its referral thereafter to the Committee on Judiciary.

Signed by all members of the Committee except Representative Roehrig.

SCRep. 317-70 Housing and Consumer Protection on **H. B. No. 1603-70**

The purpose of this bill is to define various acts relating to the use or abuse of credit cards which are deemed sufficiently serious to warrant the sanctions of criminal law and to provide criminal penalties there-

for. This bill completely revises and expands Chapter 730, Hawaii Revised Statutes. The bill provides for two levels of penalties which are related to the severity of the defined offense. Subsection 10(a) of the bill provides for a maximum penalty of not more than one year in prison or a fine of not more than \$500 or both. Subsection 10(b) provides for a maximum penalty of not more than three years in prison or a fine of not more than \$3,000 or both.

The following offenses are deemed of such severity as to warrant the greater penalties of subsection 10(b):

(a) The receipt by a person other than the issuer of credit cards issued in the names of two or more persons with knowledge that such cards (i) were taken or retained under circumstances which constitute a credit card theft or (ii) were issued as a result of a false statement by the applicant with respect to his identity or financial condition or (iii) were sold or bought from a person other than the issuer or (iv) the control of which was obtained as security for debt with intent to defraud the issuer or a person providing money, goods, services or other thing of value.

(b) The fraudulent making or embossing or uttering of a purported credit card with the intent to defraud a purported issuer or a person providing money, goods, services or other thing of value.

(c) The fraudulent use of a credit card with the intent to defraud the issuer or a person providing money, goods, services or other thing of value if the value of the money, goods, services or other thing obtained exceeds \$500 in any six month period.

(d) Any fraud by a person authorized by the issuer to furnish money, goods, services or other thing of value with knowledge that the credit card presented to him is stolen, forged or expired, if the value of the goods or services supplied by him exceeds \$500 in any six month period or the fraudulent representation by such person to an issuer in writing that he has supplied money, goods, services or other thing of value when in fact the value of

money, goods, services or other thing purportedly supplied exceeds the value actually supplied by more than \$500 in any six month period.

(e) The possession by a person other than the card holder of two or more incomplete credit cards with intent to complete them without the consent of the issuer or the possession by the person with knowledge of its character of certain machinery, plates or other contrivance, designed to reproduce instruments purporting to be the credit cards of an issuer who has not consented to the issue of such credit cards.

Offenses which are subject to less severe penalties include the following:

(a) Making of a false statement as to identity or financial condition for the purpose of obtaining a credit card.

(b) Taking of a credit card without the consent of the card holder, or receipt of the credit card with knowledge that it has been so taken, with intent to use it or sell or transfer it to a person other than the issuer or card holder.

(c) Selling or buying of a credit card from a person other than the issuer.

(d) Obtaining or controlling of a credit card as security for a debt with intent to defraud the issuer or a person who provides money, goods, services or other thing of value.

(e) Forgery of a credit card with intent to defraud the issuer or a person providing money, goods, services or other thing of value.

(f) Fraudulent use of a credit card if the value of all money, goods, services or other thing of value obtained through such use does not exceed \$500 in any six month period.

(g) Fraud by a person authorized to provide goods and services if the difference between the value in the goods and services claimed to have been supplied and those actually supplied does not exceed \$500 in any six month period.

(h) Receipt of goods obtained by the fraudulent use of a credit card if the person receiving the goods knows of the fraud.

The bill further provides that the following defenses are not available in prosecution for violation of this Chapter: a) failure to convict, apprehend or identify a person other than the defendant who also violated the chapter and b) occurrence of some of the act constituting the offense charged outside of the State of Hawaii.

Your Committee finds that the use of credit cards is becoming increasingly prevalent in the State of Hawaii. Along with this increased use there has been an alarming increase of instances of theft, fraud and other abuses of credit cards. This bill will provide a comprehensive set of definitions of credit card offenses and appropriate sanctions therefor.

Your Committee has converted this bill in compliance with House Rule 24(2).

Your Committee is in accord with the intent and purpose of **H. B. No. 1603-70** as amended and recommends that it pass second reading in the form attached hereto as **H. B. No. 1603-70, H. D. 1** and that it be referred to your Committee on Judiciary.

Signed by all members of the Committee except Representatives Heen and Kunimura.

SCRep. 318-70 Select Committee of Hawaii Representatives on **H. R. No. 118**

The purpose of this resolution is to request the State Foundation on Culture and the Arts to ask Harue McVay, the commissioned sculptress for the Honokaa State Building to discuss the plans for the sculpture with the Hamakua Economic Development Council. Further, the Foundation is requested that on all future projects to be installed in State facilities in the Hamakua area, that the Foundation discuss the nature of the art work with the Hamakua Economic Council before commissioning any artist for such projects.

Your Committee concurs with the pur-

pose of **H. R. No. 118** and recommends its adoption.

Signed by all members of the Committee except Representative Roehrig.

SCRep. 319-70 Agriculture on S. C. R. No. 16

The purpose of this resolution is to request the Secretary of the U.S. Department of Agriculture to increase the ceiling on farm ownership or "Class A" loans under the Farmers Home Administration from \$60,000 to \$100,000.

The need to increase the present statutory real estate debt limitation on these "Class A" loans has resulted from the continued increase in the cost of land such that the present \$60,000 ceiling is frequently inadequate to finance family-type farms.

In reviewing the impact of increased land costs on family-type farms, your Committee recognized that these farms have simultaneously been confronted with other tightening sources of credit, particularly those to finance operating expense. Since the FHA through "Class B" loans have been providing one such source of operating capital, the "Class B" operating loans limitation of \$35,000 was considered inadequate by your Committee and needed to be increased to \$50,000.

Having reviewed the proposals outlined above and the justification thereof, your Committee feels that the raising of the credit limit under the State Farm Loan Program for farm ownership, improvement and operations loans enacted in Act 49 of the Fifth State Legislature of the State of Hawaii was essential to allow small agricultural enterprises in Hawaii to effectively meet the competitive challenges for resources posed by mechanization, industrialization and urbanization.

Your Committee feels, however, that the realization of the intent of the 1969 Act will continue to be severely restricted until the FHA credit limitations for both farm ownership and operating loans for Hawaii farmers are increased to a level comparable

to that authorized by the State. Your Committee therefore has amended the second and third paragraphs of **S. C. R. No. 16** as follows to include consideration of operating, or "Class B" loans. Material to be deleted is bracketed; new material is underscored:

"WHEREAS, such action resulted in the increase of the [loan] ceiling on farm ownership loans from \$60,000 to \$100,000; and on farm operating loans from \$35,000 to \$50,000; and

"WHEREAS, the Farmers Home Administration loan ceiling on "Class A" loans [still] remains at \$60,000 and on "Class B" loans at \$35,000; and"

The fifth and sixth paragraphs have also have amended as follows to include consideration of increasing the ceiling on "Class B" loans and to expand the distribution of this resolution to include the President and the Vice-President of the United States, the Speaker of the United States House of Representatives, and the State Supervisor for Hawaii's Farmers Home Administration:

"BE IT RESOLVED by the Senate of the Fifth Legislature of the State of Hawaii, Regular Session of 1970, the House of Representatives concurring, that the **President of the United States, the Vice-President of the United States, the Speaker of the United States House of Representatives, United States Senator Hiram L. Fong, United States Senator Daniel K. Inouye, United States Representative Spark M. Matsunaga, United States Representative Patsy T. Mink, and the Honorable Clifford M. Hardin, Secretary of the Department of Agriculture,** be, and hereby [is] are requested to increase the [Farmers Home Administration] loan ceiling of the **farm ownership loan program from \$60,000 to \$100,000 and the operating loan program from \$35,000 to \$50,000 under the Hawaii Farmers Home Administration** for [the State of Hawaii] Hawaii farmers; and

BE IT FURTHER RESOLVED that certified copies of this Concurrent

Resolution be transmitted to **Richard M. Nixon, President of the United States; to Spiro T. Agnew, Vice-President of the United States; to John W. McCormack, Speaker of the United States House of Representatives; to the Honorable Clifford M. Hardin, Secretary of the United States Department of Agriculture [and] to each member of Hawaii's delegation to the United States Congress; and to Arlen M. Scott, State Supervisor for Hawaii's Farmers Home Administration."**

Your Committee on Agriculture is in accord with the intent and purpose of **S. C. R. No. 16** as amended and recommends its adoption in the form attached hereto as **S. C. R. No. 16, H. D. 1.**

Signed by all members of the Committee except Rep. Roehrig.

SCRep. 320-70 Finance on H. R. No. 20

The purpose of this House Resolution is to request a comprehensive study of new car warranties available to residents of Hawaii. The study is to include analysis of legal issues involved and recommendations for legislation which will enable automobile owners to avail themselves of meaningful protection under the warranties.

Your Committee has amended this Resolution by requesting the Legislative Reference Bureau to conduct the study instead of the Motor Vehicle Industry Licensing Board. The Bureau is to submit a progress report and a final report to the Regular Session of 1971 and 1972 respectively. Your Committee feels that the Bureau with its research staff, its library, and its clerical support will be able to conduct the study more expeditiously. The motor vehicle industry, the Motor Vehicle Industry Licensing Board and related government agencies are requested to cooperate with the Bureau.

Your Committee is in accord with the intent and purpose of **H. R. No. 20** as amended herein and recommends its adoption in the form attached hereto as **H. R. No. 20, H. D. 1.**

Signed by all members of the Committee.

SCRep. 321-70 Finance on H. B. No. 1028

The purpose of this bill is to amend Sec. 53-60, Hawaii Revised Statutes which enables the counties to adopt an ordinance requiring the repair, closure or demolition of dwellings in urban areas which are unfit for human habitation due to dilapidation or other specified conditions, rendering them detrimental to the health, safety and welfare.

Presently, the statute provides that the ordinance shall provide that a public officer be designated to exercise the powers prescribed, authorizing him to issue a complaint whenever it appears that a dwelling is so unfit. Any party in interest therein (be he owner, mortgagee or person in possession) may then file an answer to the complaint and present testimony at a hearing held **before the public officer**. Thus, he serves complainant, prosecutor and judge, and therein, basically, is the "injustice" which **H. B. No. 1028** seeks to remedy. It does so by amending the statute so as to require that the ordinance shall provide for the creation of a board of appeals to conduct such hearings, instead of the very same public officer who issued the complaint and then is required to sit in judgment thereof under the present law.

This bill authorizes the board to administer oaths and affirmations, examine witnesses and receive evidence.

Your Committee is in accord with the intent and purpose of **H. B. No. 1028, H. D. 1**, and recommends its passage on third reading.

Signed by all members of the Committee.

SCRep. 322-70 Finance on H. B. No. 1368-70

The purpose of this bill is to provide the Department of Education some flexibility in the operation of the school lunch program by removing the requirement for a cafeteria at every school. Section 296-43

of the Hawaii Revised Statutes is amended to provide that school lunches will be made available under the school lunch program at every school where students are required to eat lunch at school. This would allow the Department of Education to operate centralized or satellite kitchens, which would prepare food for distribution and service at schools without kitchen facilities.

Your Committee is in accord with the intent and purpose of **H. B. No. 1368-70, H. D. 1**, and recommends its passage on third reading.

Signed by all members of the Committee.

SCRep. 323-70 Finance on H. B. No. 1555-70

The purpose of this bill is to appropriate the sum of \$62,500 to be expended by the Department of Land and Natural Resources for the development of bait-seining methods for the harvest of skipjack tuna in Hawaiian waters. The sum so appropriated will be subject to matching funds from private industry.

Your Committee finds that in the last decade aku fishery in Hawaii has steadily declined in the number of vessels and fishermen participating in the fishery. Part of the decline stems from the fact that operating costs have increased to a greater extent than financial returns and there hasn't been any material increase in the average catch of the vessels to offset the rising costs. The point has been reached where drastic action is now necessary to reverse this continuing decline if the fishery is to survive.

The purse-seine net method, which requires a system of locating the tuna school and setting the net around the school, has proven to be successful in the Eastern Pacific tuna fishery; so successful in fact that the Hawaiian fishing industry feels the same method, with appropriate modifications, would produce greater harvests of skipjack tuna in Hawaiian waters.

Your Committee has amended this bill

by clarifying that the Department of Land and Natural Resources may contract for services without regard to chapters 76 and 77, Hawaii Revised Statutes, but such contractual services shall not involve more than \$62,500 in State funds.

Your Committee is in accord with the intent and purpose of **H. B. No. 1555-70, H. D. 2**, as amended herein, and recommends its passage on third reading in the form attached hereto as **H. B. No. 1555-70, H. D. 3**.

Signed by all members of the Committee.

SCRep. 324-70 Judiciary on H. B. No. 1940-70

The purpose of this bill is to prohibit any State official or other public authority from designating a particular insurance or surety company or agent in public building or construction contracts. The evil which this measure seeks to remedy involves the situation wherein a contractor is required to subscribe to insurance with a particular carrier specified by the State or other public authority through an officer or employee.

This so-called "wrap-up" insurance concept is said to interfere with the historical relationship between the contractor, his surety, and his insurer: It denies the contractor's right to select his agent and the insurance program which is best tailored to his particular needs for the project at the lowest possible cost. Your Committee received testimonies from the Board of Underwriters of Hawaii and representatives of the construction industry setting forth various objections to the "wrap-up" concept, chief among which is that if any of the parties to such an insurance scheme is enjoying a favorable experience rating with respect to accident frequency and severity, the same is nullified for that particular public project as it is rated on a common basis with all other parties involved therein.

Moreover, the contractor under "wrap-up" may be unable to secure coverage against contingent exposures not

embraced by the “wrap-up” since the limit for such coverage generally is extended only to customers who have the basic coverage with the carrier. Any alleged savings to the owner is therefore illusory since contractors recognizing the need for additional insurance to close the gap between the “wrap-up” program and their own insurance, do not allow full credit for the “wrap-up”, but leave a “cushion” in their bids to provide for the additional needed coverage.

In short, the practice is contrary to the public interest and raises grave questions involving anti-trust implications. Representatives of the construction industry refer to it as “condoned blackjacking”.

Your Committee received testimony from the Department of Regulatory Agencies strongly in favor of the intent of this bill; however, as a matter of form, the question of whether the Hawaii Insurance Law is the appropriate statutory vehicle for this measure was raised. That law is, of course, intended to provide for the supervision and regulation of insurers, agents, and others engaged in the selling of insurance, whereas this bill is intended to prohibit an act on the part of the **buyer** of insurance. Your Committee, therefore, is satisfied that the intent of this bill would be more appropriately accomplished by amendment to Part II, Chapter 103, Hawaii Revised Statutes, entitled “Expenditure of Public Money and Public Contracts”. Otherwise, the Insurance Commissioner testified before your Committee that it appears questionable whether the sanctions of the Hawaii Insurance Law could be effectively (and perhaps legally) applied to public officers and employees.

Your Committee is in accord with the intent and purpose of **H. B. No. 1940-70** as amended in the form attached hereto as **H. B. No. 1940-70, H. D. 1**, and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 325-70 Judiciary on **H. B. No. 1447-70**

The purpose of this bill is to simplify procedures by which the Hawaii Housing Authority is authorized to dispose of personal property abandoned by tenants of housing projects which it administers.

Under existing law the Authority must store the personal property for a period of four months after the termination of occupancy before disposing of the same at public auction. This bill enables the Authority to dispose of abandoned personalty after five days instead of four months, and further amends existing law to enable the Authority to destroy abandoned property which is of nominal or no value after five days.

Your Committee subscribes to the suggestion of the Director of the Department of Social Services that personal property abandoned by tenants must be promptly removed from the premises in order to make the same available for another family. Frequently, there is a substantial rent arrearage and the personalty has little sales value, and because the Hawaii Housing Authority has no storage facility of its own, costs of transportation and prolonged storage impose a further burden upon the Authority.

Your Committee was furnished copies of communications from the Kamehameha and Kaahumanu Homes Associations and the Linapuni Action Movement, comprised of residents of housing projects administered by the Authority, expressing their support for this bill.

Your Committee is in accord with the intent and purpose of **H. B. No. 1447-70, H. D. 1**, and recommends that it pass third reading.

Signed by all members of the Committee.

SCRep. 326-70 Judiciary on **H. B. No. 1809-70**

The purpose of this bill is to amend Section 609-10, Hawaii Revised Statutes, to provide for expanding jury lists to meet the increasing trial activity in the various circuit courts.

Under the present law, only the first circuit has the prerogative, by virtue of a recent statutory amendment, of selecting such number of jurors as it considers necessary, not less than 3,000. All other circuits are required to select a specific maximum number.

The presently proposed amendment of the statute gives all circuits latitude in selecting the jurors to be paneled each year as the jury commission considers necessary, not less than a specified number. This approach is recommended by the judicial branch in place of the present system of setting a maximum number to be paneled, thereby allowing for flexibility to meet the demands imposed by the level of trial activity in each circuit.

Your Committee, therefore, further amended the bill so as to delete references to a minimum number, thereby leaving it to the discretion of the jury commission of each circuit to select such number of trial jurors as it considers necessary.

Your Committee further converted the form of this bill in strict conformity with House Rule 24(2).

Your Committee is in accord with the intent and purpose of **H. B. No. 1809-70** as amended in the form attached hereto as **H. B. No. 1809-70, H. D. 1**, and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 327-70 Judiciary on H. B. No. 1957-70

The purpose of this bill is to conform the confession of judgment limitation in the district court (which is presently \$1,000) to the limit of concurrent jurisdiction of said court (which is \$2,000).

This is no more than a "house cleaning" measure. When the legislature amended section 216-4, Revised Laws of Hawaii 1955, as amended, (presently section 604-5, Hawaii Revised Statutes) by Act 99, Session Laws of Hawaii 1963, increasing

the concurrent jurisdiction of the district courts in civil actions from \$1,000 to \$2,000, section 229-3, Revised Laws of Hawaii 1955 (presently section 633-3, Hawaii Revised Statutes) allowing a person to appear in district court and confess judgment against himself, with or without suit, in an amount not exceeding \$1,000, was not amended.

Thus, under the present law, a person cannot personally appear in the district court and confess judgment to a debt which exceeds \$1,000; yet, on the other hand, a default judgment may be entered against him in an amount not exceeding \$2,000 if he decides not to appear.

Your Committee is in accord with the intent and purpose of **H. B. No. 1957-70** and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 328-70 Finance on H. B. No. 658

The purpose of this bill is to appropriate funds to supplement previously appropriated funds. Your Committee has included in this bill, additional funds for two programs,— the economic assistance program and the public welfare services administration.

The additional appropriation for the economic assistance program is a result of an upward adjustment of the Department of Social Services estimates for the program for the fiscal year 1970-71. The revised request is based upon current evaluation of expenditure and experience data for the period July 1969 through December 1969 and upon additional requirements based on current level of services. The revised request will increase the total requirements of the economic assistance program by \$7,880,884, from \$46,825,136 to \$54,705,980. The increase will involve \$3,742,180 in federal funds and \$4,138,664 in State funds.

Your Committee notes that no funds were requested for the medical payments

section. In response to your Committee's inquiry, the Department responded on March 24, 1970 that it made "a complete analysis of the total medical payment projections and a revision of [their] original estimates" and found the increased costs to be minimal. Accordingly, their original estimates were not revised.

The appropriation of \$500,000 is in line with the recommendations of Greenleigh Associates, Inc. in their report **Audit of the Medical Assistance Program of the State of Hawaii**. The audit pointed out that the Department of Social Services (1) lacks controls over the authorization of medical services to prevent overpayment or unauthorized payment; (2) lacks an effective procedure in making timely payments to vendors and (3) does not have the kinds of management information necessary to assess the cost effectiveness of the medical assistance program and to otherwise monitor and evaluate the program.

The Department has been waiting for the Statewide Information System (SWIS) to implement a computer-based information and control system but thus far has been faced with numerous delays on the part of SWIS. The audit therefore recommends that the Department contract for the services of a fiscal intermediary which has the capability to process vendor bills and monitor expenditures at reasonable cost to the State.

Your Committee agrees with the recommendation of the audit and has appropriated \$500,000 to be used to contract with a fiscal intermediary.

Your Committee is in accord with the intent and purpose of **H. B. No. 658**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 658, H. D. 1** and that it be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 329-70 Higher Education on S. B. No. 189

The purpose of this bill is to amend exist-

ing law relating to the composition, selection, and term of membership of the Board of Regents of the University of Hawaii as follows:

1. Increase the membership of the Board from nine to eleven;
2. Provide that the two additional at-large seats be for a term of two years;
3. Change the residency requirement of the Regents from Senatorial districts to counties; increasing the number of at large members from 3 to 7;
4. Provide that five of the Regents must be alumni of the University of Hawaii.
5. Provide that no more than 6 members shall be of the same political party.

Your Committee concurs with the findings of the Senate Committee on Higher Education that the rapidly increasing student enrollment, the creation of a second major four year campus on Oahu, and the increasing complexities of the University System justify and necessitate an increase in the number of regents on the Board. Your Committee has amended this bill to provide two additional at-large members of the Board of Regents, each to serve a term of two years with possibility of reappointment. These two year terms can serve as a tremendous asset to the Board of Regents on several counts. Perhaps most importantly, these terms will broaden the field of capable interested people, who could contribute much to the Board of Regents, but are unable or unwilling to assume the commitment that a four year appointment would imply. This will be particularly likely to affect candidates on both ends of the age scale. Those who are young and just getting established in a career, or are contemplating further education would be more willing and able to serve a two year term, than to assume the commitment of a four year term. Likewise, persons on the other end of the spectrum who are retiring from their careers might prefer to serve a two rather than a four year term. For these people, and others as well, the two year terms would be ideal. In addition to enlarging the field of possible

appointees, the two year term allows for the infusion of new perspectives and ideas into the deliberations of the Regents at two year intervals, providing continuous reanimation for the Board.

Your Committee, after thorough examination of the proposal and its ramifications and interpretations, has deleted the provision that a faculty member and a student should be numbered among the members of the Board of Regents. During the course of its hearings and consultations on this bill and its House counterparts, this Committee has been distressed to learn that a large majority of the proponents of this bill were advocating its passage in order to place a representative of the Faculty and of the students on the Board of Regents to give the Faculty and students a voice in the deliberations of the Board. This outlook stresses factionalism, and implies that Regents should represent a constituency, which this Committee finds quite unacceptable and incongruous with the intent of this bill. It must be emphasized, however, that no member of the Board of Regents, regardless of occupation or age, should be representative of a certain faction or constituency. To do so would negate the great constructive potential of having broad representation on the Board.

In order to further maximize the list of qualified potential candidates to the Board of Regents, this Committee has modified or eliminated many of the current restraints on Regent selection. On the other hand, this Committee would recommend several guidelines, which it considers to be both constructive and prudent for the selection of Regents. Age is a very critical factor. There is a series of almost guaranteed generation gaps built into our society, controlled by such various factors as differences in attitudes and ideals, as well as changes in technology, each in turn tempered by the environment of the era. The Board of Regents should, ideally, be broadly and specifically representational of these age groups and "gaps." As the Board is presently constituted, it primarily represents a limited age group. Of particular importance, therefore, should be the selection of a Regent who can articulate

youthful points of view.

This Committee has further amended the bill to retain the restriction that five members of the Board of Regents must be graduates of the University of Hawaii. While it does not believe that graduation from the University of Hawaii per se qualifies a person to be a better Regent, it does believe that an alumnus can lend valuable insight into University problems. Furthermore, persons who have very recently been involved with the evolution of the University from the perspective of a student, who are still in touch with the realities of the institution rather than the illusions of what once was, and many of whose friends are still students at the University, can provide a vast amount of valuable insight into the direction of the University System, and can enhance significantly the role of the Board of Regents.

This Committee is particularly pleased to observe that the Board of Regents has taken upon itself to reorganize its own internal structure to keep pace with the ever increasing demands of the University System. Recognizing that each Board member cannot possibly master every facet of the University System, which ranges from vocational and technical education all the way up to the highest graduate level, the Board has subdivided itself into subject matter committees, each consisting of at least two members, and each concerned with a separate facet of the system. This Committee would like to applaud this initiative and approach, and would again emphasize the need to expand the size of the Board with two additional members.

Your Committee has further amended the bill to provide that not more than six members of the Board shall be of the same political party to insure bi-partisan membership on the Board. It is the opinion of your Committee that **S. B. 189** as amended can go a long way toward creating a Board of Regents of sufficient size and competency to handle the increasingly difficult demands of the University System. The amendments included in the House Draft 2 will give the Governor, with the advice and consent of the Senate, a wide latitude

to select Regents on the basis of competency and qualifications, consistent with the interests of the University and of the State.

Your Committee is in accord with the intent and purpose of **S. B. 189 H. D. 1**, as amended herein, and recommends its passage on second reading in the form attached hereto as **S. B. 189 H. D. 2**, and that it thereafter be placed on the calendar for third reading.

Signed by all members of the Committee except Representative Roehrig.

SCRep. 330-70 (Majority) Public Health, Youth and General Welfare on **H. B. No. 1291-70**

The purpose of the bill is to add a penalty provision to the water pollution law, allowing the Department of Health to enforce penalties for water pollution violations. Under this bill any person who willfully violates the water pollution law would be fined not more than \$500, each day of violation constituting a separate offense.

This bill would provide the necessary flexibility in dealing with polluters, allowing penalties to be assessed in accordance with the gravity of the offenses. On the one hand, it would provide the means to deal effectively with the larger polluters such as corporations. If there were a single fine of \$500 for a water polluter's offense, big corporations may find it less expensive to pay the fine or may employ delaying court techniques rather than construct water pollution control facilities to avoid future offenses. This problem can be avoided by the provision in this bill making each day of violation a separate offense. On the other hand, this bill has the means to protect the lesser violator. Intent must be shown before a penalty can be imposed. If a penalty is found to be assessable, then the fine can be scaled down to fit the offense.

As presently worded, sections 2 and 3 of the bill contain provisions relating to protection of fish and plant life. Since these provisions are irrelevant to water pollution control, your Committee has amended this

bill by deleting sections 2 and 3 of this bill.

Your Committee has also amended this bill by converting the form of the bill to comply with House Rule 24(2).

Your Committee is in accord with the intent and purpose of **H. B. No. 1291-70**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 1291-70, H. D. 1** and that it be placed on the calendar for third reading.

Signed by all members of the Committee. Representative Lum did not concur.

SCRep. 331-70 Lands on **H. B. No. 1730-70**

The purpose of **House Bill No. 1730-70** is to amend Section 171-45, Hawaii Revised Statutes, so as to make it easier for the residents of the state in need of a residential lot to acquire public land for such purpose and at reasonable cost. It also provides safeguards against speculative buying so as to encourage greater homeownership.

Your Committee has amended **H. B. 1730-70** by adding a new Section 1 to read as follows:

“Section 1. Findings and purpose. The purpose of this act is to enable a greater number of families in the lower and middle income levels to purchase lots to be used for residential purposes. The Legislature finds that the procedure for disposal of public land by public auction works to the disadvantage of lower and middle income families who are often outbid in their efforts to purchase residential lots. By encouraging disposal of lots by drawing to the greatest feasible extent and restricting the qualifications for eligibility, the Legislature intends to expand the opportunity for homeownership to more residents of the state.”

Section 1 is renumbered Section 2 and amended by deleting the brackets enclosing the words “in fee simple” and the words “of lots with upset sale prices of \$ or more” on line 5. This amend-

ment in Section 2 will provide for public auction of certain lands in fee while providing for sale of leaseholds or fee simple lots by drawing rather than at public auction. Other amendments in this section are for style only.

Section 2 is renumbered Section 3 and amended by removing the brackets on line 13 after the word "lot" and deleting the rest of the paragraph beginning with the word "or" and ending with the word "purposes." A new paragraph (2) was added to read as follows:

"No person shall purchase or lease any lot under this part if he or his spouse, or both of them, owns fee simple land in the county suitable for residential purposes."

This will provide for widest distribution of land to those who need it most and is another preventative measure against speculation. All other paragraphs in this section have been renumbered accordingly.

The blank space on line 1 on page 2 has been filled with the word "three." Paragraph (6) has been amended by deleting the words "unless he has gross income sufficient to meet the cost of the lot being disposed of and the costs of necessary improvements thereon," and substituting in lieu thereof the words "by drawing if his gross income exceeds \$20,000 per year." This establishes the maximum income limits to qualify for drawing of public residential lots, and should assist the so-called "income gap group."

Section 3 has been renumbered Section 4 and is amended by deleting on line 11 the words "with an upset sales price of \$ or more." Your Committee agrees with witnesses' statements in public hearings that to set an upset price in the statutes would be impractical.

Section 5 is renumbered 6 and amended by deleting on line 14 the words "price of the original sale by the board plus interest if the land is unimproved or the price of the original sale by the board plus the costs of improvements and interest if the

land is improved," and substituting in lieu thereof the words "sum of (1) the original cost of the land; (2) the original cost of all buildings and improvements thereon; and (3) annual interest at a rate to be determined by the board on the original purchaser's or his heirs equity in the land, buildings and improvements, whichever is greater." This amendment is to clarify and make the paragraph more explicit.

Section 6 and 7 have been renumbered accordingly.

Your Committee is in accord with the intent and purposes of **H. B. No. 1730-70** as amended herein and recommends its passage on second reading in the form attached hereto as **H. B. No. 1730-70, H. D. 1** and thereafter be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 332-70 Judiciary on **H. B. No. 1411-70**

This bill amends Chapter 292, Hawaii Revised Statutes, which was enacted as Act 279, Session Laws of Hawaii, 1969. Its purpose is to conform testing requirements with those of the Federal Highway Safety Act of 1966, and to clarify or redefine certain of its terms and provisions, the application or adherence to which causes undue hardship to certain segments of the public and the automotive industry.

Your Committee on Housing and Consumer Protection, in **Stand. Com. Rep. No. 49-70**, with which your Committee on Judiciary is in accord, reported that Section 1 of the bill modifies Chapter 292, as follows:

Section 292-1 as amended restates the purpose of Chapter 292 as assuring the accuracy of the odometer-speedometer system installed in certain passenger cars.

Section 292-2 as amended restates the findings and intent of the legislature to recognize the cooperation of the automotive industry in implementing

legislative concern for the consumer of passenger cars and its desire to eliminate over-registration of passenger car odometers by installing mileage measuring devices which meet the accuracy requirements of the National Bureau of Standards.

Section 292-3 as amended substitutes the phrase "system-error" for "error" in recognition of the fact that the legislative intent is not merely to assure the accuracy of the odometer instrument itself, but also the entire system.

Section 292-4 as amended provides for certification of system accuracy in relation to a statute mile, and allocates responsibility for original certification to the manufacturer, while allowing the manufacturer to delegate the endorsement function to his authorized agent.

Section 292-5 as amended provides for the verification by the director of weights and measures of the certificate and the system accuracy by random sampling procedures, but does not preclude one hundred percent inspection if the director deems it warranted.

Section 292-6 is new, and empowers the director to establish sub-stations for verification and establishes an equitable fee system so designed that large volume dealers bear their fair share of verification costs. The addition of this section will simplify verification procedures on the neighbor islands.

Section 292-7 is renumbered and provides for the assessment of a verification fee against each passenger car sold, resold or offered for sale, for certifying the accuracy of the passenger car mileage measuring system.

Section 292-8 is renumbered and allows the director to issue a replacement or substitute certificate of accuracy after verification, when necessary to consummate transfer of title to a passenger car.

Section 292-9 is renumbered and requires record-keeping by the director

for a ten-year period.

Section 292-10 is renumbered and provides penalties for knowingly, willfully or intentionally falsifying a certificate.

Section 292-11 is new and provides that the director shall promulgate rules and regulations pursuant to the Hawaii Administrative Procedure Act to implement and enforce the Chapter.

Section 292-12 is new and empowers the director to enforce the chapter and delegate his powers and duties when he deems is necessary for effective enforcement of the Chapter.

Your Committee on Judiciary received testimonies from the Department of Agriculture, Division of Weights and Measures, and from representatives of the trucking industry. The former, charged with enforcement of the Chapter, expressed that implementation of Act 279 was virtually impossible due to the length of time necessary to procure testing equipment, and the volume of vehicles involved prohibited physically driving the cars over a two-mile measured course in order to determine compliance (which is also unavailable). The latter endorsed substitution of the Act's application to "passenger cars" rather than "motor vehicles" because of the difficulty in providing mileage measuring systems for such as trucks, earth-moving equipment, and utility vehicles, for which, because of their custom-designed transmissions and rear-end mechanisms consisting of multiple drive ratios, no test procedure or equipment has yet been devised to accurately measure the system error. It is conceded that this change is consistent with the Federal Highway Safety Act of 1966.

Furthermore, and because of the impossibility of implementation of Act 279, Session Laws of Hawaii, 1969, as aforesaid, which was made applicable to "all vehicles of model year 1969 or later", Section 2 of the bill provides for immunity from prosecution for any violation thereunder. The Director, however, represented to your Committee that the required equipment has been ordered and is assured delivery,

and that the rules and regulations essential to implement and enforce the Chapter have been finalized and are ready for public hearing. Therefore, Section 3 of the bill provides that, except as to Section 2, it becomes effective on January 1, 1971, and applies to "all 1972 model year passenger cars and all subsequent model year passenger cars. . ."

Your Committee believes that "the automobile industry is cognizant of . . . over-registration of passenger car odometers and is desirous of eliminating or prohibiting the inclusion of [such] device . . . that does not comply with the accuracy requirements of the National Bureau of Standards . . ." as stated in section 292-2, thereof,

Your Committee is in accord with the intent and purpose of **H. B. No. 1411-70**, **H. D. 1**, and recommends that it pass third reading.

Signed by all members of the Committee.

SCRep. 333-70 Judiciary on **H. B. No. 1309-70**

The purpose of this bill is to increase the limits of financial responsibility required under the Motor Vehicle Safety Responsibility Act for bodily injury or death arising out of the ownership, maintenance or use of a motor vehicle. The present law requires proof of ability to respond in damages for liability in the amount of \$10,000 for one person in any one accident and \$20,000 for two or more persons in any one accident. **H. B. No. 1309-70** proposes an increase to \$20,000 and \$40,000, respectively; **H. D. 1** thereof recommends a compromise amendment to \$15,000 and \$30,000, respectively.

Your Committee received testimony from the Board of Underwriters of Hawaii that the sharp increase proposed by the bill in its original form would have a measurable effect on automobile insurance rates which are already under heavy pressure from Hawaii's soaring accident toll, particularly for the "bad" driver who, because of his accident or traffic violation

record, is a substandard risk.

In any event, your Committee, not unmindful of the substantial degree of income loss and medical expenses which often result from serious injury or death, finds that it is desirable to increase the limits of financial responsibility. However, no state has limits as high as those proposed by the bill in its original form. Forty-one states, including Hawaii, presently require limits of \$10,000 and \$20,000. Two states, California and Virginia currently require limits of \$15,000 and \$30,000.

Therefore, in accordance with the recommendation of your Committee on Housing and Consumer Protection, your Committee on Judiciary likewise recommends reduction of the increase in the limits of financial responsibility to \$15,000 and \$30,000, respectively, rather than \$20,000 and \$40,000.

Your Committee was informed by the Board of Underwriters of Hawaii that time following enactment of the bill would be required within which to adjust the limits of policies issued pursuant thereto, and upon its suggestion your Committee recommends that the effective date be continued to July 1, 1970. The bill has been amended accordingly.

Your Committee is in accord with the intent and purpose of **H. B. No. 1309-70**, **H. D. 1**, as amended herein and recommends its passage on third reading in the form attached hereto as **H. B. No. 1309-70**, **H. D. 2**.

Signed by all members of the Committee.

SCRep. 334-70 Finance on **H. B. No. 2100-70**

The purpose of this bill is to amend the description of the appropriation for the Little Theater. Under the present provision, the Little Theater must be located Ewa of Nuuanu Avenue. This limitation has severely hampered the Little Theater's search for a suitable location. Accordingly, the description has been amended to permit location of the Theater Ewa of Ke-

eaumoku Street.

Your Committee is in accord with the intent and purpose of **H. B. No. 2100-70**, as amended herein, and recommends its passage on third reading in the form attached hereto as **H. B. No. 2100-70, H. D. 1.**

Signed by all members of the Committee.

SCRep. 335-70 Printing and Revisions

Informing the House that **House Resolution Nos. 260 to 264** and **Standing Committee Report Nos. 336-70 to 360-70** have been printed and distributed.

Signed by all members of the Committee except Representative Lee.

SCRep. 336-70 Housing and Consumer Protection on H. R. No. 33

The purpose of this Resolution is to request the Director of the Hawaii Housing Authority to conduct a study of the feasibility of condemning lands near hotel sites, including lands owned by the resorts, for the development and construction of housing for hotel workers serving these resorts.

The Resolution further requests the Director to submit his findings to the Legislature twenty days prior to the convening of the Regular Session of 1971.

Your Committee finds that many of the hotel and resort areas which are presently being developed or will be developed in the near future on the Island of Maui are located in remote areas which have little or no housing facilities. These hotel and resort projects will be staffed by large numbers of employees.

Under present conditions these employees must of necessity travel a significant distance on their way to and from work. It would be desirable for these resort workers to be located in residential areas near the hotel and resort sites.

Your Committee is in accord with the

intent and purpose of **H. R. No. 33**, and recommends that it be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 337-70 Housing and Consumer Protection on H. R. No. 83

The purpose of this Resolution is to request the Governor's Housing Committee and the Mayors Housing Committee of the County of Honolulu to seriously consider utilization of the air space above State and County Highways for housing facilities.

Your Committee finds that the State of Hawaii and particularly the City and County of Honolulu is presently facing a severe shortage of adequate housing for its people. The construction of high rise housing above land used for transportation facilities such as railroad tracks and highways has contributed to the alleviation of the housing shortage in several densely populated urban areas on the mainland United States. The construction of housing in air space over and above State and County highways should be seriously considered by the State and Counties as a means of dealing with the housing shortage.

Your Committee is in accord with the intent and purpose of **H. R. No. 83** and recommends that it be referred to your Committee on Harbors, Airports and Transportation.

Signed by all members of the Committee.

SCRep. 338-70 Labor and Employment Problems on S. C. R. No. 7

The purpose of this concurrent resolution is to request your Committee and the Senate Labor Committee to study the impact of labor and social legislation on the small businessmen of Hawaii.

In hearings conducted before your Committee, there was general agreement among those testifying that administration

and financial burdens imposed by labor and social legislation tended to be of greater consequence to the small businessman than to his larger counterpart. There was also testimony to the effect that the small businessman was not adequately represented before agencies administering said laws.

Your Committee agrees that it should be a matter of concern to the legislature to insure that the burden imposed upon the small businessman are not excessive in relation to those imposed upon his larger counterpart.

Your Committee concurs with the purpose and intent of the concurrent resolution and recommends its referral to your Committee on Economic Development for further consideration.

Signed by all members of the Committee.

SCRep. 339-70 Select Committee of Oahu Representatives on **H. B. No. 1621-70**

The purpose of this bill is to require all counties whose population exceeds 100,000 persons to compile, consolidate, revise, index and arrange a comprehensive ordinance code containing all ordinances which have been duly enacted and not repealed within one year after the passage of the bill and at least once every ten years thereafter. The bill further requires such counties to publish annually a cumulative pocket part supplement which shall be appropriately indexed and shall contain all ordinances enacted subsequent to the publication of the preceding comprehensive ordinance code. Your Committee finds that the publishing and annual updating of the comprehensive ordinance code required by this bill will ease the burden of research for the people of the City and County of Honolulu, the county employees who serve them, and the using public.

Your Committee is in accord with the intent and purpose of **H. B. No. 1621-70** and recommends that it pass second reading and that it be referred to your Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 340-70 Select Committee of Maui Representatives on **H. B. No. 1715-70**

The purpose of **H. B. No. 1715-70**, as amended herein, is to appropriate the sum of \$45,000 for the planning and construction of a medical center at Lahaina, Maui. The sum appropriated is to be expended by the Department of Accounting and General Services.

Your Committee has amended the bill to insert the figure \$45,000 in line two of Section 1. Your Committee finds that \$45,000 is a reasonable figure for the planning and construction of such a facility.

Your Committee is in accord with the intent and purpose of **H. B. No. 1715-70**, as amended herein, and recommends its passage on second reading and its referral to your Committee on Finance in the form attached hereto as **H. B. No. 1715-70, H. D. 1.**

Signed by all members of the Committee.

SCRep. 341-70 Select Committee of Maui Representatives on **H. B. No. 1728-70**

The purpose of **H. B. No. 1728-70** is to appropriate the sum of \$250,000 for the planning and construction of a 50 meter swimming pool at the Eddie Tam Memorial Center, Makawao, Maui. The sum appropriated is to be expended by the Department of Accounting and General Services.

Your Committee is in accord with the intent and purpose of **H. B. No. 1728-70** and recommends its passage on second reading and its referral to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 342-70 Select Committee of Maui Representatives on **H. B. No. 1344-70**

The purpose of **H. B. No. 1344-70** is to appropriate various sums for designated

capital improvement projects within the County of Maui.

Your Committee is in accord with the intent and purpose of **H. B. No. 1344-70** and recommends its passage on second reading and its referral to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 343-70 Select Committee of Maui Representatives on **H. B. No. 1775-70**

The purpose of **H. B. No. 1775-70** is to make appropriations for designated capital improvement projects within the County of Maui.

Your Committee is in accord with the intent and purpose of **H. B. No. 1775-70** and recommends its passage on second reading and its referral to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 344-70 Select Committee of Kauai Representatives on **H. B. No. 2022-70**

The purpose of this bill is to make an appropriation for the plans, construction and purchase of equipment and furniture for the Kauai Community College, Kauai.

Your Committee is in accord with the intent and purpose of **H. B. No. 2022-70**, and recommends that it pass second reading and be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 345-70 Select Committee of Kauai Representatives on **H. B. No. 1928-70**

The purpose of this Bill is to make appropriations for or relating to capital improvements in the County of Kauai.

Your Committee is in accord with the intent and purpose of **H. B. 1928-70** and recommends that it pass second reading

and be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 346-70 Higher Education on **H. B. No. 2087-70**

The purpose of this bill is to amend the existing law to provide that student employees at the University of Hawaii, including the community colleges, shall be paid at least semi-monthly.

Under present statutory restrictions, part-time employees of the University can be paid only once per month. This can create a definite hardship on students who rely solely or substantially on this income as means of support. Also, for many students who are learning to live within a budget for the first time, a one month interval between paychecks can be very difficult. It would be a great convenience to these students to receive their compensation semi-monthly.

Your Committee has amended this bill at the request of the University to delete the words "part-time," since all student employees are presumably part-time employees. Otherwise, the University supports this bill, and indicated its willingness to switch to semi-monthly payments beginning with the new fiscal year in July.

Your Committee is in accord with the intent and purpose of **H. B. 2087-70**, as amended herein, and recommends its passage on second reading and referral to the Committee on Government Efficiency and Public Employment in the form attached hereto as **H. B. 2087-70, H. D. 1**, for further consideration.

Signed by all members of the Committee except Representative Roehrig.

SCRep. 347-70 Public Health, Youth and General Welfare on **H. B. No. 1861-70**

The purpose of this bill is to make foreign dental graduates eligible to take the Hawaii licensure examination for the practice of dentistry.

Existing law allows only United States citizens graduating from approved American dental colleges to take the dental examination. This requirement is premised on the fact that American dental training is the best in the world and that clinical instruction given in other countries simply does not parallel in quality that of dental colleges of the United States.

Granting the fact that American dental training is unparalleled and the envy of the world, then it must follow that other countries would be imitative of American dental training and techniques. And such is the fact. Take the Philippines as an example. Philippine dental practitioners use equipment, instruments and dental material imported from the United States. Philippine dental schools use American textbooks. The curriculum in Philippine dental schools is practically the same as in American dental schools. Further, the licensure examination in the Philippines is given in the English language, not the national language.

Because most countries follow and adopt American dental training and techniques, your Committee believes that foreign dental graduates should become eligible to take the Hawaii licensure examination. Your Committee stresses the point that the foreign dental graduates become eligible to take the examination — not that they become licensed to practice dentistry. Dental standards in the licensure examination are another matter. Your Committee believes in upholding the quality of dental care in this State and is unalterably opposed to any lowering of standards. To this end, your Committee has amended this bill to set forth rigorous standards expected of foreign dental graduates: a theory examination and demonstration of skills in prosthetic dentistry, in diagnosis-treatment planning and in restorative technique and operative dentistry.

Your Committee is in accord with the intent and purpose of **H. B. No. 1861-70**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 1861-70, H. D. 1**, and its referral thereafter to your Committee on Judiciary.

Signed by all members of the Committee except Representatives Roehrig, Iha, and Kimura.

SCRep. 348-70 Lands on H. B. No. 2154-70

The purpose of this bill is to strengthen the present system of preserves, sanctuaries and refuges and to set aside additional areas suitable for preservation. Of prime interest is the establishment of a statewide natural area reserves system to preserve in perpetuity areas which support communities, as relatively unmodified as possible, of the natural flora and fauna, as well as the geological history of Hawaii.

During the hearing on this bill, your Committee heard testimony attesting to the fact that the Hawaiian Archipelago is much richer and more specialized in its biota (animals and plants) than any other group of oceanic islands. Due to its isolation and favorable climate, the islands produced over 10,000 species of land plants and animals (over 90% of its land biota), besides perhaps over 40% of its marine species, which are found nowhere else. However, due to environmental changes resulting at times from carelessness and at other times necessitated for the advancement of civilization, some of these natural assets are on the brink of extinction.

In the past concerned citizens and both public and private institutions have attempted to prevent the extinction of disappearing species, but too often their efforts were directed at preventing the loss of a single species, not realizing that all organisms are parts of communities and as such share complex relationships with each other and with the environment. Only recently has it begun to dawn on man that each species is a part of the ecosystem or natural complete environment.

The Governor stated in his message on March 9, 1970 that: "It is now imperative that the state establish a system to preserve for all time reasonable samples of all the special types of environments which make Hawaii unique and to take other steps to reduce the detrimental effects on the entire Hawaiian environment by the growth in population and technology." From a con-

ervation viewpoint, establishment of such a system will enable us to collect baseline data against which we can measure the extent to which man and his activities have brought about environmental changes. In this respect it will establish guidelines for preventing further destruction of these assets; in addition, it will enhance orderly growth and development. Furthermore, this becomes a practical matter when the horticultural, ethnobotanical, silvicultural, agricultural, educational, pharmaceutical and scientific aspects are taken into consideration.

In view of its timeliness and necessity, your Committee concurs in principle with the bill. The following amendments have been made:

(1) On page 2, line 4, "tracts of land, shorelines and near-shore areas" has been deleted and "specific lands, shores, shorewaters, streams, rivers, marshes and lakes" has been added. The latter defines more clearly areas that might be included in the system, also makes it more inclusive.

(2) Also on page 2, under the heading of definitions, the word "advisory" has been added to the definition of commission. This is to clearly depict the role of the commission and to avoid confusion with the role of the department. Further, in the last line under the same heading the word "commission" has been replaced by "department." Establishment of criteria is primarily the function of the department, pursuant to recommendations by the commission.

(3) On page 3, line 5, "Government" has been deleted in lieu of "State."

(4) On page 3 under Rules and Regulations, the phrase "provided that no rule or regulation which relates to the permitted use of any area assigned to the reserves system shall be valid and no use of any such area shall be permitted unless such rule or regulation or permitted use shall have been specifically approved by the natural area reserves system commission" has been deleted. The role of the commission should be advisory and not executive.

(5) On page 4, line 11, section under

"Natural area reserves system commission" has been amended to include the word "advisory," thus making it consistent with item (4). Other changes in the section also reflect the advisory function of the commission. Addition of the president of University of Hawaii as ex-officio member brings the commission membership to the stated eleven.

(6) Changes in the section entitled, "Powers and duties" on page 5 continue to reflect the advisory function of the commission and differentiates its role from that of the department.

(7) All references to historical sites have been deleted because technically they are not natural areas, but rather they are a result of man and his activities. Furthermore, inclusion of historical sites in the natural area reserves system, and under the natural area reserves system advisory commission, would be a duplication of effort for the Hawaii Foundation for History and the Humanities presently is engaged in the program of identifying, restoring and preserving these sites.

Your Committee is in accord with the intent and purpose of **H. B. No. 2154-70** as amended herein and recommends that it pass second reading and be referred to your Committee on Finance in the form attached hereto as **H. B. No. 2154-70, H. D. 1.**

Signed by all members of the Committee.

SCRep. 349-70 Select Committee of Kauai Representatives on **H. C. R. No. 26**

The purpose of this Concurrent Resolution is to request the Kauai County Board of Water Supply to obtain more water by developing additional sources of water, or expanding present sources.

There are farm areas on Kauai which do not have access to agricultural rates on water for irrigation purposes and they must rely on domestic water. More water at lower rates will make it possible to trans-

form idle land into crop land.

Your Committee is in accord with the intent and purpose of **H. C. R. No. 26** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 350-70 Housing and Consumer Protection on **H. C. R. No. 3**.

The purpose of this Concurrent Resolution is to urge the military authorities in Hawaii and in Washington, D.C., to take all steps necessary to provide adequate housing on federal lands for military personnel and their dependents who are assigned to duty in the State of Hawaii.

Your Committee finds that there will shortly be 8,000 military families seeking off-base housing on Oahu because the military cannot provide housing for them. This increased demand for housing tends to raise the level of rents for all people and further tends to aggravate Hawaii's current housing shortage.

The military should bear a fair share of the burden of providing housing on federal lands for these military personnel and their dependents.

Your Committee is in accord with the intent and purpose of **H. C. R. No. 3**, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 351-70 Housing and Consumer Protection on **H. C. R. No. 19**

The purpose of this Concurrent Resolution is to request the Governor and the Mayors of each of the counties to re-examine and take steps to expedite the processes of governmental departments and agencies which process applications for construction of buildings and the development and subdivision of land in order to increase efficiency and expedite application procedures.

Your Committee finds that delay in pro-

cessing and approval of applications for construction of buildings and development or subdivision of land resulting from faulty organization and cumbersome procedures in the processing of applications and plans for buildings and land development is an important factor in delaying the ultimate solution of Hawaii's housing shortage. Improvements in efficiency in the processing of such applications will reduce and eliminate such delays and help alleviate the housing shortage.

Your Committee is in accord with the intent and purpose of **H. C. R. No. 19** and recommends that it be adopted.

Signed by all members of the Committee.

SCRep. 352-70 Harbors, Airports and Transportation on **H. B. No. 2018-70**

The purpose of this bill is to declare as a matter of public policy and to provide that the State, through the Harbors Division, Department of Transportation, shall not issue any leases, licenses, permits or right-of-entry on public lands under the jurisdiction of the Department of Transportation to any persons, organizations, associations, corporations or clubs unless such leases, licenses, permits or right-of-entry, or any extensions thereof contain provisions permitting the general public to use the facilities constructed or operated thereunder. Heretofore, the Territory of Hawaii acting as the licensor, (through the then Board of Harbor Commissioners) has issued "licenses" in at least two cases to private yacht clubs in 1952 and 1958, which restrict entry and use to "members and their guests only." Although the documents are entitled "licenses", they appear to be long term leases. As a general rule, land licenses are normally for a short period and includes a privilege granted to enter land for certain special purposes such as the removal of timber, soil, sand gravel, stone and other related materials. In the instances of the subject private yacht clubs, the leases are for terms of forty years and for general social and recreational purposes.

Under the existing "licenses", rent, in

one case, amounts to \$220.00 per month for more than 19,000 square feet of land (exclusive of catwalks). In the other case, more than 25,000 square feet of land is presently being rented for \$355 per month.

There is a policy question raised as to whether recreational harbors which are developed and improved by State funds should be leased out to private clubs that deny free public access. Land, an especially unique resource in Hawaii, should be utilized under a policy as would best fulfill the general welfare of all the people as a whole. Indeed, your Committee would favor and encourage the State to build facilities for yachting purposes on public lands suitable for recreational harbors and to permit public use thereof than to follow a policy that would lease such lands to private clubs that deny free public access.

If it is argued that such leases are required for promoting interest in boating, your Committee feels that this requirement can be met by a concessionaire, selected by proper public auctions, requiring him to provide dining facilities, bar facilities, locker rooms, dining rooms, meeting rooms. Proper charges or fees can be regulated by the lease agreement and provide that such facilities be open to the public.

If this alternative means suggested by your Committee appears far fetched and financially unfeasible, your attention is called to the highly successful Olomana Golf Course concession which operates under a State lease. This lease, which was awarded by public auction, required the successful bidder to develop a golf course, provide clubhouse facilities, dining room and bar which are built at his expense, subject to the right of the State to review charges and fees set by the lessee. Your Committee is of the opinion that recreational facilities can be provided under the same basis on property now under the jurisdiction of the Department of Transportation.

It is the intent of this bill that existing licenses will be allowed to run their course, except renewal thereof. This bill does not affect the present licensees.

Your Committee has amended **H. B. No. 2018-70**, by changing the terminology “any private clubs” to “any persons, organizations, associations, corporations or clubs” for the primary reason of avoiding limited interpretation of this Section. The bill has also been amended to limit the application thereof to leases, etc., of public lands for recreational or social purposes so that leases, etc., for business and other purposes are not affected. Your Committee has also deleted as redundant the last sentence of the bill as reads: “All waterfront restaurants shall be open to the general public” inasmuch as other provisions of the bill adequately cover this matter and effectuate the intent.

Your Committee is in accord with the intent and purposes of **H. B. No. 2018-70**, as amended herein, and recommends its passage on second reading and be placed on the calendar for third reading in the form attached hereto as **H. B. No. 2018-70, H. D. 1.**

Signed by all members of the Committee.

SCRep. 353-70 Judiciary on **H. B. No. 1806-70**

The purpose of this Bill is to amend Section 572-1, Hawaii Revised Statutes, by lowering the age of marriage of males, with the written consent of parent or guardian, from 18 years to 17 years.

Presently, Section 572-1(2) provides that a marriage is valid when the male is at least 18 years of age and the female is at least 16 years of age. With the consent of parent or guardian and written approval of the Family Court, a female under the age of 16 years, but in no event under the age of 15 years, may marry. The amendment proposed by **H. B. No. 1806-70** extends this same authority to a male under the age of 18 years, but in no event under the age of 17 years.

Testimony received by your Committee from the Family Court, the written approval of which is necessary to validate marriages of minors, is to the effect that each year more requests are received from

males in the 17 year old age group to marry. Upon the premise that at 17 years most males have completed high school and in many cases are expected to provide for themselves, either economically or educationally, or both, there is no reason they should be prohibited to marry.

Your Committee is in accord with the intent and purpose of **H. B. No. 1806-70** and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee except Representative Oshiro.

SCRep. 354-70 Select Committee of Hawaii Representatives on **H. B. No. 2023-70**

The purpose of this bill is to repeal Parts II and III of Chapter 64, Hawaii Revised Statutes. The reason for the repeal is because of the Hawaii County Charter. Part II of Chapter 64, Hawaii Revised Statutes, relates to a Board of Disposal of county properties. That power is presently granted to the Director of Finance under the Hawaii County Charter. Part III of Chapter 64, Hawaii Revised Statutes, relates to the Bureau of Purchases and Supplies. This function has been transferred to the Director of Finance by Section 2 of this bill. As such, Parts II and III, Chapter 64, Hawaii Revised Statutes, are no longer required. The bill also adds a new section to Part I of Chapter 64, Hawaii Revised Statutes, wherein the Department of Finance is granted the responsibility of procuring all materials, supplies, equipment and services required by the County of Hawaii. Further, the Director is required under this bill to establish appropriate rules and regulations covering purchasing procedures that supplements Chapter 103, Hawaii Revised Statutes.

Your Committee is in accord with the intent and purpose of **H. B. No. 2023-70** and recommends that it pass second reading and that it be placed on the calendar for third reading.

Signed by all members of the Committee except Representative Roehrig.

SCRep. 355-70 Finance on **H. B. No. 1451-70**

The purpose of this bill is to remove sections from the Hawaii Revised Statutes which no longer serve any useful purpose. The appointment of port pilots and the assignment of their duties is presently covered under the Civil Service laws of the State. Charges for piloting services are adequately covered by the rules and regulations and Tariff No. 3 of the Harbor Division of the Department of Transportation which were promulgated under the authority of Section 266-1 and 266-2, Hawaii Revised Statutes. Indications of specific charges as provided in Section 266-9 is unnecessary since charges will be handled as economic conditions change. Dock age and demurrage charges are covered in detail in the rules and regulations and Tariff No. 3.

Sections 266-11 and 266-12 are out of date. All harbor fees are now covered by rules and regulations. Section 266-15 regarding cattle landings is no longer necessary since the Department of Transportation already has adequate authority to control all cargo handling in all harbors of the State.

Your Committee is in accord with the intent and purpose of **H. B. No. 1451-70, H. D. 1**, and recommends its passage on third reading.

Signed by all members of the Committee.

SCRep. 356-70 Finance on **H. B. No. 1598-70**

The purpose of this bill is to amend Act 38, Session Laws of Hawaii, 1966; Act 217, Session Laws of Hawaii, 1967; and Act 40, Session Laws of Hawaii, 1968, which provided authorization for construction and improvements of the Keauhou and Honokaa Baseyards in Hawaii. The narrative statements of the three Acts specified the types of improvements to be made at the baseyards. **H. B. No. 1598-70** proposes to amend the language to allow flexibility in constructing the improvements in the most efficient and expeditious manner.

Your Committee is in accord with the intent and purpose of **H. B. No. 1598-70** and recommends that it pass third reading.

Signed by all members of the Committee.

SCRep. 357-70 (Majority) Judiciary on **H. B. No. 1924-70**

The purpose of this bill is to require the registration and licensing of landscape architects under the existing board of registration for professional engineers, architects and surveyors, justification for which is the protection of the public interest.

The bill, originally submitted in short form, and thereafter expanded in the course of achieving its purpose through your Committee by amending chapter 464, Hawaii Revised Statutes, does so in several respects in order to accomplish its purpose, as follows:

Section 1 interjects into the chapter, throughout, the phrases "landscape architect" and "landscape architecture" and words of similar import, in conjunction with the phrases "engineer, architect, and surveyor" and "engineering and architecture" and words of similar import.

Section 2 defines the practice of "landscape architecture" substantially as the

"consultation, investigation, reconnaissance, research, design, preparation of drawings and specifications, and responsible supervision where the dominant purpose of such services is: (1) the preservation and enhancement of land uses and natural land features; (2) the location and construction of aesthetically pleasing and functional approaches for structures, roadways, and walkways; and, (3) design for equestrian trails, plantings, landscape irrigation, landscape lighting, and landscape grading. This practice shall include the location, arrangement, and design of such tangible objects and features as are incidental and necessary to the purposes outlined herein."

There is an express provision that a land-

scape architect is not empowered to practice architecture or engineering in any of its various recognized branches.

Section 3 of the bill excludes from provisions of the chapter various businesses conducted by any agriculturist, horticulturist, tree expert, nurseryman, gardener, lawn caretaker and similar businesses, and also disallows such persons from using the designation "landscape architect" unless they are registered.

Section 4 of the bill provides that professional landscape architects shall be represented on the State board of registration of professional engineers, architects and surveyors.

Your Committee, based upon testimonies received from the Hawaii Society of Professional Engineers and the Consulting Engineers Council of Hawaii recommends the bill provide for two professional landscape architects as members of the board, which is believed to constitute a close proportional representation of that profession thereupon, in keeping with the principle of "one man, one vote".

Section 5 of the bill is a "grandfather" provision, requiring the board to accept as satisfactory evidence of the applicant's competency for registration (1) that he has a diploma from a college offering an approved curriculum in landscape architecture, or the equivalent thereof, as determined by the board, together with at least four years of experience, or (2) that he has a total of at least twelve years of experience, been actually engaged in the practice for not less than four years in the aggregate, or in his own office for not less than two years.

Section 6 of the bill authorizes registered landscape architects to use a seal authorized by the board for the purpose of filing documents with public officials.

Your Committee received testimonies relating to this measure on behalf of the Hawaii Chapter of the American Institute of Architects, the Hawaii Society of Professional Engineers, the Consulting Engineers Council of Hawaii, the Inter-

professional Commission on Environmental Design in Hawaii, and the American Society of Landscape Architects — all of whom support its passage.

Nineteen states, representing two-thirds of the country's population presently have laws concerning the registration and practice of landscape architects, and similar legislation is pending or being drafted in at least eighteen additional states.

In physical land planning and design, the landscape architect must analyze the topographic and climatic characteristics of the particular land or plot available, requiring him to draw on a specialized knowledge of geology, botany, surveying, meteorology, and horticulture. These characteristics of the land he must translate to the human operational requirements sought to be met, requiring a broad, liberal education and background which will enable him to understand and deal with psychological, sociological and other related problems. Thus, in planning land areas for institutions, public park and recreation areas, subdivisions, and many other facilities, he will be concerned with the maximum use of the available land areas so as to accomplish the varied human demands.

In Hawaii, where environment cannot be considered an expendable commodity, it becomes increasingly important to protect and enhance our lands during the explosive population growth which has and can be anticipated further in the coming decade. Accordingly, any person holding himself out to be a landscape architect should be required to submit evidence that he is so qualified in accordance with accepted professional standards.

Your Committee is in accord with the intent and purpose of **H. B. 1924, H. D. 1**, and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee. Representative Shigemura did not concur.

SCRep. 358-70 Federal-State-County on S. B. No. 164

The purpose of this bill as amended herein is to allow the liquor commissions to grant a new class of license to hotels. The bill as amended also exempts licensed premises of any class which are located at an international airport or foreign trade zone from regulation by the county liquor commissions of the hours during which the licensee does business. The bill as amended also allows cabarets to remain open for business until 4:00 a.m.

Under present law hotels are licensed under class 5, dispensers licenses. The dispensers license issued to the hotel covers the entire hotel premises. The selling of intoxicating liquors in hotels presents unique regulatory problems which have not and cannot be adequately resolved under rules and regulations of the liquor commissions which must be general in application within the class and must apply, not only to hotels but also to all other holders of dispensers license. The liquor business as operated by hotels is distinct from other businesses operating under dispensers licenses. Hotels provide food, beverages and entertainment in public and private rooms to transient guests, permanent residents and the general public. Hotels frequently have more than one dispensing facility. They also often sell liquor by the packages as well as by the drink. Hotels commonly sell liquor for consumption by guests in hotel rooms through room service. Your Committee finds that there is a need for establishing a separate classification of hotel license under which rules and regulations may be promulgated by the liquor commissions which more appropriately meet the requirements of hotel operations and are more responsive to both the privileges and responsibilities applicable to such operations.

Your Committee has amended Section 281-31 to add a new class of license, known as "hotel license" which allows the licensee to sell all liquors except alcohol for consumption on the premises. Under this class of license, the term "premises" is deemed to include all areas of the hotel. Thus the liquor commission will have the power to frame rules and regulations concerning sale of liquor through room service for consumption in the guests room. Class

5, dispensers licenses, is also amended to provide that the premises referred to in that class shall not include any room containing sleeping accommodations or any room or cottage which is maintained for the lodging of guests. This amendment would provide for the situation where the hotel operator decides to lease liquor operations rather than operate them himself. In this event the lessee-licensee would obtain a class 5 dispensers license which would be limited to the premises from which the liquor is dispensed and would not include the lodging area of the hotel.

Section 281-1 is amended to define the term "hotel" to mean an establishment consisting of one or more buildings which contain rooms providing sleeping accommodations which are offered to transient or permanent guests and a suitable kitchen and dining room where meals are regularly prepared and served to hotel guests and other customers. Under this definition the county liquor commission prescribes the minimum number of rooms necessary for an establishment to be classed as a hotel. Section 281-17 is amended to empower the liquor commission to prescribe by rules and regulations the terms, conditions and circumstances under which persons may be employed by holders of hotel licenses. It is the intent of the legislature that these rules and regulations be limited to those hotel employees who are directly involved in the sale of liquor on the hotel premises. Section 281-83 is amended to require payment by the hotel licensee of the liquor tax provided for in Section 244-5, Hawaii Revised Statutes, within 20 days after the end of the month in which the purchase of liquor is made from a manufacturer or wholesaler of liquor.

Your Committee has further amended this bill to provide that licensed premises of any class which are located in those areas of the various airports in Hawaii which handle international flights or in areas designated as foreign trade zones are exempt from control by the County Liquor Commission of the hours during which they may do business. Your Committee finds that premises located in international airport and foreign trade zones cater primarily to passengers who are tempora-

rily in Hawaii while en route to destinations outside of Hawaii. Likewise, individuals who frequent foreign trade zones are generally in Hawaii only briefly while en route to other destinations. Therefore, the licensed premises which serve these people should be exempt from rules and regulations governing hours of doing business so that they may serve these international passengers at any time of day or night.

Your Committee has further amended the bill to provide that premises levied as cabarets may remain open for the transaction of business until 4:00 a.m. throughout the entire week. Under the present law cabarets must close at 3:00 a.m. Your Committee finds that no additional regulatory problems will be created by allowing cabarets to remain open until 4:00 a.m.

Your Committee is in accord with the intent and purpose of **S. B. No. 164, S. D. 1**, as amended herein and recommends that it pass second reading in the form attached hereto as **S. B. No. 164, S. D. 1, H. D. 1**, and that it be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 359-70 (Majority) Select Committees of Maui, Hawaii, Kauai and Oahu Representatives on **S. B. No. 1630-70**

The purpose of this bill is to amend the existing law by extending the closing hour for the transaction of business by cabarets licensed by county liquor commissions from 3 a.m. to 4 a.m. throughout the entire week.

Your Committees are in accord with the intent and purpose of **S. B. No. 1630-70** and recommend its passage on second reading and that it thereafter be placed on the calendar for third reading.

Signed by all members of the Committees except Representatives Roehrig and Heen. Representatives Loo and Ushijima did not concur.

SCRep. 360-70 (Majority) Judiciary on **H. R. No. 204**

The purpose of this resolution is to request the members of Hawaii's congressional delegation to vote against and to use their influence to persuade others to vote against the confirmation of G. Harrold Carswell as an associate justice of the United States Supreme Court.

Your Committee amended the title and content thereof to limit the request to be made of Senators Daniel K. Inouye and Hiram L. Fong and to expand the request to include voting to recommit the nomination to the Senate Committee on Judiciary.

The Resolution recites as reasons for the request substantially as follows: that there is a need for our judicial institutions to command public respect; that such respect will only be forthcoming when the personnel thereon are of caliber able to demand it; that it is of special urgency for the highest court in the country to be able to command such respect; that the record of Judge G. Harrold Carswell is not such as to command the same and contains little to indicate that he will be an associate justice of any stature; that his record, both public and private, indicates an insensitivity to the issue of equal treatment regardless of race or sex; that the United States Senate has no obligation to permit the President to pick "his" Supreme Court, and that it has a duty to insure that appointees to the Supreme Court are men whose legal credentials, personal conduct, and public record are unquestioned; and that Judge G. Harrold Carswell does not satisfy these requirements.

Your Committee is given to understand that an unofficial count among United States Senators shows them to be 48 in favor of the nomination and 48 opposed to the nomination. Among those opposed are some of the United States Senate's most influential members and many of whom have expressed their desire that the nomination be recommitted.

Your Committee is in accord with the intent and purpose of **H. R. No. 204**, as amended herein, and recommends its adoption in the form attached hereto as **H. R. No. 204, H. D. 1**.

Signed by all members of the Committee except Representatives Baptiste, Duponte, Oshiro and Aduja. Representatives Judd and Miho did not concur.

SCRep. 361-70 Printing and Revisions

Informing the House that **House Resolution Nos. 265 to 272, House Concurrent Resolution Nos. 100 and 101** and **Standing Committee Report Nos. 362-70 to 379-70** have been printed and distributed.

Signed by all members of the Committee.

SCRep. 362-70 Agriculture on **H. B. No. 1281-70**

The purpose of this bill is to change the date as of which a five-year advance notice to cancel land dedication may be submitted by the land owner or the director of taxation. Currently, the law allows either party to submit a five-year advance notice at the end of the fifth year of their intent to terminate the dedication. This bill lengthens the period to "after the end of the tenth year" thereby extending the total minimum commitment period of dedication from the present ten years to fifteen.

The approval of the owner's dedication petition by the director of taxation in effect constitutes a forfeiture of the right of the land owner to use the dedicated land for any use other than agricultural for the minimum commitment period of dedication. In turn, the land is appraised for agricultural use and taxed at an agricultural rate for the length of dedication instead of at the market value appraisal and subsequent tax. The land owner thereby benefits from dedicating through this tax saving.

This bill seeks to discourage those land owners from dedicating whose intent is to use the program primarily for the purpose of taking advantage of the tax savings and have no serious intentions of farming or grazing the land. Your Committee feels that increasing the minimum commitment period an additional five years will, therefore, further the intent and purpose of the land dedication program by discouraging

non-agricultural interests from dedicating land.

Technical amendments to **H. B. No. 1281-70** were made to conform to House Rule 24(2) which requires matter to be deleted to be inclosed in brackets and new material underscored.

Your Committee on Agriculture is in accord with the intent and purpose of **H. B. No. 1281-70**, as amended herein, and recommends that it pass second reading and it be referred to your Committee on Lands in the form attached hereto as **H. B. No. 1281-70, H. D. 1** for further consideration.

Signed by all members of the Committee except Representative Roehrig.

SCRep. 363-70 Education on H. B. No. 2002-70

The purpose of this bill is to provide for the establishment of an annual conference of high school student leaders who will meet to identify, discuss and develop possible solutions to major youth problems with emphasis on problems of youth in Hawaii's high schools.

Recommendations of these student leaders will be transmitted to the Governor, the Legislature and the Board of Education for study and action as deemed appropriate and necessary. Your Committee believes that this is the most effective and acceptable way to have young student leaders and educational leaders in government work together in solving many of the problems confronting today's youthful citizens.

Adult participation in the planning phase of the conference will be provided by ex-officio representation from the Governor's office, the State Senate, the State House of Representatives, the Board of Education, the Department of Education and the classroom teachers. The seven (7) student leaders, representing each of the seven (7) local school districts, will be student leaders affiliated with the Hawaii Association of Student Councils, an organization which has been active in student affairs on

a statewide basis since 1930.

The planning and the conduct of the conference shall be the responsibility of the students themselves. Ex-officio members on the Student Conference Advisory Committee as well as other adults are expected to assist as resource people or consultants.

Your Committee does not intend that the student leaders' conference proposed in this bill will replace the annual conference of the Hawaii Association of Student Councils. However, there is no reason why these two conferences should not be merged, if such is the best arrangement in the considered judgment of the student leaders themselves.

Funding has been provided in the bill to give full support to any and all aspects of conference proceedings. There are 32 public high schools and approximately 14 private high schools who would be eligible to send student leaders to the conference. Based on 200 students and observers or advisors attending the conference and allowing \$150 cost per participant, it is your Committee's opinion that the recommended appropriation of \$30,000.00 is ample.

The original bill has been amended to incorporate the many excellent suggestions made by students who testified as well as representatives from the Governor's Office and the Department of Education. These changes are as follows:

1. The title of the bill has been changed to read: "A BILL FOR AN ACT RELATING TO A CONFERENCE OF HIGH SCHOOL STUDENT LEADERS AND MAKING AN APPROPRIATION THEREFOR". The word "Public" has been deleted to enable students from both public and private high schools to participate in the conference. The Attorney General, by letter dated March 25, 1970, rendered an opinion that private high school students may be allowed to participate in a student leaders' conference sponsored and funded by the State and that such participation is not contrary to the provisions of Article VI, Section 6, of Hawaii's Constitution which pro-

vides in part that: "No tax shall be levied or appropriation of public money . . . (be) made . . . directly or indirectly, except for a public purpose". The Attorney General is of the opinion that the conference as proposed is in the public interest or for a public purpose.

2. The six (6) adult members of the Student Conference Advisory Committee have been redesignated as ex-officio members to allay student fears that as voting members they would dominate conference planning and relegate student participation to minor, ineffective roles as planners. Also a representative from a classroom teachers group has been included instead of a representative from the Parent-Teachers' Association at the suggestion of the students themselves.

3. Other minor changes have been made for purposes of clarity and completeness.

Your Committee is in accord with the intent and purpose of **H. B. No. 2002-70**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 2002-70, H. D. 1**, and recommends its referral to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 364-70 Federal-State-County on **H. B. No. 1908-70**

The purpose of this bill is to validate general plan amendments made by the various counties prior to December 31, 1969 which are currently subject to a measure of uncertainty by reason of the decision of the Hawaii Supreme Court on November 26, 1969 in **Dalton v. City and County of Honolulu**.

Your Committee has amended the bill in the following respect:

Section 1 as written purports to validate only amendments made prior to December 31, 1969. The selection of this date appears to be arbitrary for the **Dalton** case was decided on November 26, 1969. If validation is to cover any period of time after

the date of such decision then it would appear to your Committee that such date should be "upon its approval", else the validity of amendments made or in the process of being made by the several counties between November 26, 1969 and the approval of the Act will continue to remain uncertain. To adhere to the December date would in the opinion of your Committee effectively impede the forward progress of interim county business to the detriment of its citizens.

It is further the opinion of your Committee that in respect of all amendments made after the effective date of the Act no ratification will be required if the companion bill approved by this Committee as **H. B. No. 2162-70, H. D. 1** is enacted into law.

Your Committee has, therefore, substituted for the date appearing in Section 1 and Section 2 the words "the effective date of this Act."

Your Committee has converted the form of the bill to comply with House Rule 24(2).

Your Committee is in accord with the intent and purpose of **H. B. 1908-70** as thus amended and recommends its passage on second reading and that it be referred to your Committee on Judiciary in the form attached hereto as **H. B. 1908-70, H. D. 1**.

Signed by all members of the Committee.

SCRep. 365-70 Federal-State-County on **H. B. No. 2162-70**

The purpose of this bill is to provide a uniform procedure throughout the several counties for the amendment of their respective general or master plans and zoning ordinances which conform to and implement such general or master plans.

From time and time and as conditions within each of the several counties have changed, the legislative body of each county has made amendments to their respective general or master plans upon the assumption that each of the plans as thus amended was expressive of the legis-

lative body's policy for the long-range, comprehensive physical development of such county.

While procedures for the adoption of these amendments have varied in superficial aspect, there has been a common understanding that the general or master plans must, in order to accommodate fast changing patterns of social and economic behavior and governmental conditions and trends, be, and at all times remain, flexible.

Some doubt has now been created as to the validity of amendments made to these plans as a result of the decision of the Hawaii Supreme Court on November 26, 1969, in **Dalton v. City and County of Honolulu**, which found in respect of certain ordinances of the county of Honolulu pending before it that the same did not meet the procedural requirements contemplated for the adoption of the general plan and more particularly as to long-range factors and comprehensiveness.

Your Committee concurs with the several legislative bodies of the counties that general and master plans must be kept viable not only to promote the public interest at large but to provide an up-to-date framework of reference within which governmental bodies may operate to serve their citizens. At the same time your Committee recognizes that an effective general or master plan must be long-range and comprehensive and that each and every amendment made thereto must likewise be long-range and comprehensive, else the effectiveness of any county legislative body's policy for the coordinated development of the county will be compromised.

It is the opinion of your Committee that to avoid future uncertainties over the validity of amendments and the consequential hardships which are certain to follow, a procedure for amendment of general and master plans must be provided and that the means of achieving this is by legislation which will have uniform application throughout the several counties.

From the testimony adduced at the hearing of your Committee, the basic tenets of any successful general or master plan

are (1) that the same be identified at all times as a policy expression of the legislative body, (2) that "comprehensiveness" as related to that policy expression means that it must deal in the opinion of the legislative body with all significant physical elements, (3) that though the term "long-range" portends of future goals to be achieved over an infinite period of time, in fact the policy expression by the legislative body of those goals speaks as of a given moment of time, (4) that studies to support any policy expression should be restricted to those which the legislative body finds to be relevant, (5) that the plan must be kept amendable so as to remain at all times as an expression of the best current judgment of the legislative body, and (6) that the plan and all amendments thereto be made available and kept understandable to the public and planning commission.

During the course of its deliberation, your Committee studied in detail **H. B. 2117-70**, and though it was the opinion of your Committee that such bill had considerable merit it felt that the bill was lacking in three important aspects: (1) that there should be a means whereby an interested citizen could initiate an amendment to the general or master plan which would ultimately result in a change in the legislative body's policy, (2) that the same procedural steps required for an amendment to the general or master plan should likewise be established for the adoption of amendments to zoning to conform with and implement such general or master plan, and (3) that no provision was made for keeping the planning commission abreast of pending matters nor extending to the public a ready means of obtaining information on the planning process and the studies in support thereof. The title to **H. B. 2117-70** likewise appeared to be too restrictive to establish the uniform, logical step by step amendatory process that your Committee felt was essential and protective of the public interest.

H. B. 2162-70 was therefore selected as a convenient vehicle to achieve the desired legislation. The title appeared sufficiently comprehensive and some features con-

tained therein appealed to your Committee though the text of the entire bill was not acceptable.

Your Committee has seen fit therefore to amend **H. B. 2162-70** by adding thereto the substance of **H. B. 2117-70** with certain additional features.

As rewritten **H. B. 2162-70** provides for:

(1) A uniform means of obtaining modifications or amendments to the legislative body's policy expression for the long-range, comprehensive, physical development of a county. Changes may be initiated by either the planning director, the legislative body, or an interested citizen. Safeguards are provided by requiring at least one public hearing and findings by the legislative body (a) that its policy, as modified or amended, is based upon relevant data and studies, and (b) that the amendment has been related to all significant physical, social and economic factors and governmental conditions and trends within the county that reasonably affect or are affected by the amendment.

(2) A uniform means of obtaining zoning changes, including planned developments, to conform with and implement the general or master plan.

(3) A requirement that no proposed amendment which remains partially processed at the time of the enactment of this bill shall be adopted without the legislative body making the same required findings for a change in its policy.

(4) A requirement that the planning director keep the planning commission of the county fully advised as to all pending matters and studies within his department to the end of making more meaningful the recommendations of the planning commission to the legislative body.

(5) A requirement that all studies and pending amendments within the office of the planning director shall be considered as public records and available for inspection; further, that the planning director shall be responsive to all inquiries respecting the status of studies being undertaken

by him and on proposed zoning and general or master plan changes.

Your Committee has reviewed the Charters of the several counties which have charters and the provisions of Chapter 46, Hawaii Revised Statutes, and is of the opinion that the pending bill is not in conflict with any of the provisions therein contained, but on the contrary complements, in a uniform way, existing legislation.

Your Committee has converted the form of the bill in compliance with House Rule 24(2).

Your Committee is in accord with the intent and purpose of **H. B. 2162-70**, as converted and amended herein, and recommends it pass second reading in the form attached hereto as **H. B. 2162-70, H. D. 1**, and that it thereafter be referred to your Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 366-70 Higher Education on H. B. No. 2096-70

The purpose of this bill is to provide an appropriation of \$62,200 out of the general revenues of the State of Hawaii for the purpose of developing and carrying on a tissue and forage analysis program for diversified crops.

The College of Tropical Agriculture of the University of Hawaii currently has a program in tissue analysis which, still in its preliminary stages, is engaged almost solely in research of its own design and choosing. The prevailing philosophy of this unit is that until a sufficient bank of empirical data is compiled, the tissue analysis program can be of little or no value to the agricultural industry. To accumulate such a bank of data, could consume as many as twenty years, as was the case for the sugar industry. Meanwhile, the facility is pursuing its own projects, some of which bear little relevance to problems and crops which are of major significance to the industry or, in fact, to the economy of the State.

Unfortunately, your Committee must report that this program with its apparent preoccupation with academic analysis, is all but ignoring the critical needs of the industry, and has been indisposed to alter or modify ongoing research programs to include urgent industry problems. The tissue analysis program, which was envisioned by the Legislature as a monumental assist to our farmers has become a cross for them to bear. Samples sent in for analysis frequently receive neither acknowledgement or diagnosis for as long as six months. When response is forthcoming, it is often less than helpful, as the College of Tropical Agriculture declares its inability to diagnose, prescribe, or even speculate as to possible causes or solutions due to the lack of a formidable amount of empirical data on the subject. Meanwhile, the poor farmer, who lacks the technical expertise of the scientist, must make his own educated guess, and proceed by trial and error, usually watching his crops continue to perform poorly with no means of systematic evaluation towards improving the performance of his crops.

The College of Tropical puts great stock in the accumulation of its bank of scientific knowledge, and yet it would appear by its reluctance to offer advice to have ruled out the possibility of experimentation in the field. The desperate farmer will try anything to save his dying crops. It would seem not only prudent, but in the best interests of both the farmer and the College of Tropical Agriculture, that the latter body render advisory opinions to the farmers regardless of the level of empirical data in the data bank in question. In this way, if the suggestion fails, the farmer would at least have the feeling that he had the benefit of the most sophisticated knowledge available, and the College of Tropical Agriculture can log the result, be it positive or negative in its all important data bank.

The importance of having a tissue analysis program which is readily available and responsible to the needs of the farmers cannot be overemphasized. Presently, the farmers have access to a sophisticated soil analysis program, to assist them in evaluating the chemical and nutritive content of

the soil. This program alone, however, is not sufficient, because, while it indicates which elements in the soil might be lacking or in need of alteration, it does not indicate the exact chemical compound which should be added. Frequently there is a choice of compounds which can provide the deficient nutrient, but the selection among these choices must be made on the basis of which compound will be readily usable by the particular crop in question. It is in this context that tissue analysis is invaluable, as it provides a means for evaluating experimentation by revealing whether the additive has indeed found its way into the plant. Through the costly process of trial and error, many farmers develop an intuitive idea of what is best for their particular crops. With proper use of soil and tissue analysis, and the assistance of the College of Tropical Agriculture, many of these intuitive ideas could be affirmed or disproved.

Your Committee is constrained to upbraid the College of Tropical Agriculture, for wantonly ignoring the critical needs of the agricultural industry in its single minded pursuance of academia. The needs of the farmers must be met, and therefore your Committee reluctantly recommends the appropriation of \$62,000.00 as requested in this bill in order to bring relevance to the College of Tropical Agriculture. Your Committee is reluctant in its recommendation, because it is disheartened to know that this tissue analysis facility, which was conceived by this Legislature solely as an assistance facility to the agricultural industry, must require additional funding in order that it might perform its ordained function in addition to its assumed function. By requesting this appropriation, your Committee does not wish to reinforce what it deems to be utter irresponsibility on the part of the Agricultural Experiment Station; it merely wants to provide for the critical needs of the industry. Your Committee would like to stress, however, that this budgetary augmentation is not going to become an annual donation. Instead, your Committee would like to state as strongly as possible that the College of Tropical Agriculture reorient its programs where necessary, re-evaluate its activities

in all areas, and prepare a program for coming years which is substantially farmer oriented. That is, that the College of Tropical Agriculture adjust its programs to accommodate the needs of the agricultural industry, and that it do so within the reasonable limitations of its operating budget request for forthcoming years.

Your Committee is in accord with the intent and purpose of **H. B. 2096-70**, and recommends its passage on second reading and its referral to the House Committee on Finance.

Signed by all members of the Committee except Representatives Roehrig, Shigemura and Fong.

SCRep. 367-70 Higher Education on H. B. No. 2029-70

The purpose of this bill is to permit full-time students at the community colleges to take courses at four-year campuses in the University of Hawaii System free of additional tuition charges.

At the present time, a student at the community colleges must pay part-time tuition rates of \$9.00 per credit hour in order to take a course at one of the four-year campuses in the system. Under this arrangement, community college students, who frequently find it necessary or desirable to augment their course-loads, must pay a cost which could well exceed the tuition and fees for an entire semester at the community college.

The ramifications of this bill would apply particularly to the college transfer students at the community colleges who, at the present time find the course offerings, particularly at the sophomore level, to be meager and restrictive. For example, only eight sophomore transfer courses are offered at Honolulu Community College, and the range of subjects is such that it spreads very thin by including something for several different majors, but not enough in any one area alone to fulfill the normal sophomore requirements. Under this circumstance, it is almost impossible for a transferee from a community college to a four-year campus to graduate in the cus-

tomary four years, because he has too many courses to make up which weren't offered in the community colleges.

Your Committee has amended this bill to remove the restriction of five credit hours, because internal policies of the community colleges and the University would make this provision self-governing. At the present time, in order for a community college student to register in a course at a four-year campus, he must have a ticket approved by his community college advisor. According to internal policies, a student may not register for more than two courses at a four-year campus, and thus the restriction is self-policing.

Your Committee has converted the bill to conform with House Rule 24(2).

Your Committee is in accord with the intent and purpose of **H. B. No. 2029-70**, as amended herein, and recommends its passage on second reading, and its referral to the House Committee on Finance in the form attached hereto as **H. B. No. 202-70, H. D. 1.**

Signed by all members of the Committee except Representative Roehrig, Shigemura and Fong.

SCRep. 368-70 Higher Education on H. B. No. 747

The purpose of this bill is to create a temporary commission of diverse representation to assist in the overall statewide planning for higher education in Hawaii.

The University of Hawaii System has grown at an enormous rate in the last decade, including the creation of the Community College System; the addition of a third year program and an anticipated fourth year program at the Hilo Campus; and plans for a second major four year campus to be located on Oahu. This growth has taken place with such rapidity, and in such a diversity of ways, that the University is presently operating very close to its monetary limitations, thus threatening the flexibility which is so necessary to maintain in order that the University might

continue to be dynamic and viable. The University complex can be expected to continue its spectacular growth during the coming decade, not only with respect to numbers of students that will have to be accommodated, but also with respect to new facilities and new programs as well.

It will require skillful and comprehensive statewide planning in order for the University of Hawaii to be able to cope with the anticipated numbers of students, and provide the necessary additional services and programs that will be demanded over the next decade and beyond, and specifically, it will require masterful planning to accomplish all of this within a budget which must of necessity be limited. This monumental task of planning for these probabilities can only be meaningful if it is accomplished while the University still has a degree of monetary flexibility, and therefore can still re-order its current programs in the context of its goals and objectives, and re-evaluate these, in turn, in the context of the projected needs and demands of the community.

Under the guidance of its new President, the University of Hawaii is undertaking an ambitious planning project, to determine the overall goals for the system, and to map the future course of the University. It is the opinion of your Committee that this planning process can be significantly and substantially assisted by an interaction of ideas between the University and the community. If the University of Hawaii is indeed to become hub of the Pacific, then planning must come from a dialogue with the larger community concerning the unique needs, limitations, capabilities, and expectations of the community, rather than merely from introspective academia.

Your Committee has amended **H. B. No. 747** to provide for a five member commission, to be appointed by the Governor, and to serve in an advisory and consultative capacity to University planners. Surely a five member commission, no matter how carefully selected, cannot purport to represent community opinion in a comprehensive sense: neither, however, could a seventeen member commission as recommended in the original bill. It is the

opinion of this Committee, however, that a five member commission, being a more wieldy body, can better serve as a catalyst both to the University planners and the larger community, bringing the two groups together for dialogue on some of the more critical issues facing the planning body. Such dialogue could take the form of mini-conferences to discuss such subjects as the overall goals of the University system, or to tackle specific issues, such as the establishment, format and orientation of a law school.

In order to provide for the optimum integration of this commission into the planning process, maximizing its potential for enhancing University planning, while minimizing the possibility of encroaching on areas which are clearly the domain of the University planners, your Committee has amended **H. B. No. 747** to clearly define the scope and purview of the commission as follows:

1. To serve in an advisory and consultative capacity to University planners in the formulation of the overall goals and objectives of the entire University system, including the determination of areas of specialization for the system as a whole, and for the diverse components of the system;
2. To review and analyze University plans for physical and academic development for new and existing campuses throughout the State in the context of the goals established for the system, and with particular emphasis on the unique needs, limitations, capabilities and expectations of the community;
3. To serve as a catalyst to stimulate dialogue between the University planners and the larger community, by holding open meetings and mini-conferences from time to time concerning matters which are in the particular interest of the public community;
4. To submit to the Legislature no later than 20 days prior to the convening of the Regular Sessions of 1971 and 1972, a report summarizing the activities and progress of the commission, and including recommen-

dations for specific legislative action to assist the University in the implementation of its plans. A concluding report shall be submitted upon the termination of the Commission in June 1972.

Your Committee cannot overemphasize the need for comprehensive and responsive planning in the University system, in order to achieve the maximum growth potential within the finite resources available. It is essential that each campus and academic program be planned in the context of the total system, in order to avoid costly duplication where possible, and provide the widest variety of educational opportunities to the maximum number of people. It is the conviction of this Committee that the Commission as established in **H. B. No. 747**, as amended, can perform an invaluable and indispensable service to the University and to the State, through its assistance in the planning for the total statewide network of higher education which is the University of Hawaii.

Your Committee is in accord with the intent and purpose of **H. B. No. 747** as amended herein, and recommends its passage on second reading, and its referral to the House Committee on Finance in the form attached hereto as **H. B. No. 747, H. D. 1**.

Signed by all members of the Committee except Representatives Roehrig and Shigemura.

SCRep. 369-70 Higher Education on H. B. No. 1902-70

The purpose of this bill is to provide a scholarship and loan fund for deserving Hawaii residents who are attending or plan to attend graduate school. This bill would be applicable to those resident students who received their baccalaureate degree at the University of Hawaii, regardless of where they are attending or plan to attend graduate school; and to those residents who attained their baccalaureate degrees from elsewhere, but who plan to attend graduate school at the University of Hawaii.

At the present time, financial assistance

to graduate students is not only limited, but rapidly dwindling as Federally sponsored subsidies are gradually being withdrawn. Examples of this Federal draught are many and disheartening. In 1968, Hawaii qualified for 90 N.D.E.A. sponsored fellowships. These have been cut to 46 for the next school year. N.A.S.A. assistance has been eliminated completely, and the National Science Foundation grants have remained static in the face of rising numbers of graduate students. On the State level, the scholarship program is broadly constituted, and could apply to graduate students as well as undergraduate students, but in practice, awards are made primarily to the latter. However, these scholarships are usable only at the University of Hawaii.

It is estimated that 40% of the graduate students at the University of Hawaii receive monetary assistance of one form or another. With the number of graduate students increasing and the number of available grants and aids decreasing, however, this percentage can be expected to drop sharply, creating a great hardship among the graduate students, and perhaps precluding a number of students from attending graduate school for financial reasons.

The State of Hawaii has long realized the desirability of having a highly educated citizenry, and has consistently supported the upgrading of the educational systems, and the maximizing of educational opportunities available in Hawaii. The provision of a student loan fund as proposed herein, would certainly be consistent with this emphasis, and could provide far reaching benefits to the state as well as to the individual students. Not only would the loans be repaid with interest, but the increased income potential which advanced education would impute would provide the state with additional revenues well in excess of the scholarship or loan investment in the student.

Your Committee has amended this bill to provide that it shall be applicable to students who have completed their undergraduate education at the University of Hawaii, but may be used at the institution of higher

learning of the student's choice. Also eligible are students who have completed their baccalaureate degrees at other institutions, but who are attending or planning to attend graduate school at the University of Hawaii. Your Committee has provided these amendments for two purposes. On the one hand, it is desirable for the state that a majority of the persons utilizing this scholarship and loan program remain in the state to work after they have completed their graduate education. This is more likely to occur with a student who has had strong ties with our own University of Hawaii, be it on the undergraduate or graduate level, than it would for a student who completed both his baccalaureate and graduate education outside the state. Also, for administrative purposes, it would be much easier for the University of Hawaii to administer the scholarship and loan program for students who have a strong tie to the University, either past or contemplated, than it would be to administer a program which involved students who were completely unrelated to the University of Hawaii.

Your Committee has also amended this bill by adding a recommended appropriation of \$500,000.00 to finance this scholarship and loan program. It is anticipated that part of this appropriation shall be used for purposes of administering this program.

Your Committee is in accord with the intent and purpose of **H. B. 1902-70** as amended herein, and recommends its passage on second reading, and referral to the Finance Committee in the form attached hereto as **H. B. 1902-70, H. D. 1**, for further consideration.

Signed by all members of the Committee except Representatives Roehrig, Shigemura and Fong.

SCRep. 370-70 Harbors, Airports and Transportation on H. B. No. 1850-70

The main purpose of this bill is to amend the paragraph numbered (2) in Section 291-35, Hawaii Revised Statutes, by changing the number "eighteen" as it appears on the third line to "thirteen." The amendment would limit the application of the

paragraph to vehicles or combinations of vehicles thirteen feet or less in length as measured between the first and last axles. It therefore means that vehicles or combinations of vehicles fourteen or more feet in length, between the first and last axles would be governed by the limitations found in the paragraph numbered (1). It would allow a vehicle between fourteen and eighteen feet in length to carry a greater payload. It would also increase the load that is being imposed upon a highway, a bridge or other highway structure but not to such an extent as would cause damage.

Your Committee has had the benefit of the testimonies of the Department of Transportation, the Hawaii Trucking Association and the Cement & Concrete Products Industry of Hawaii. All three have testified favorably toward the bill. The Hawaii Trucking Association and the Cement & Concrete Products Industry of Hawaii have testified as to the beneficent effects of the bill on noise, congestion and air pollution and on costs in the construction industry.

Your Committee has reviewed the entire section and its review has revealed that other deficiencies exist in the language of the statute. Your Committee took the opportunity to further amend the section to clarify its intent.

In addition to the amendment to paragraph number (2) explained above, your Committee amended Section 291-35 in the following particulars for the following reasons:

(1) Added the words "an axle load or a wheel load" after the second word in the fourth line of the section because the section contains prohibitions against exceeding certain axle loads and wheel loads as well as prohibitions against exceeding gross weight limitations.

(2) Changed the words "following requirements" appearing in the fourth line of the section to "limits set forth in this section" because the itemization that follows sets forth limitations on gross vehicle weights, axle loads and wheel loads. It does not set up requirements that must be met.

(3) Relocated two of the provisos that were formerly included under paragraph (1) of the section. These two provisos now appear, and more properly so, prior to the itemized limitations, since they are applicable to all the itemized limitations and not to limitation numbered (1) exclusively.

(4) Replaced the word "their" appearing in the second to the last line of itemized limitation numbered (3) to "his" to make it agree in number with its antecedent "owner."

Your Committee is in accord with the intent and purpose of **H. B. No. 1850-70**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 1850-70, H. D. 1**, and its referral to your Committee on Public Utilities for further consideration.

Signed by all members of the Committee.

SCRep. 371-70 Judiciary on **H. B. No. 2007-70**

The purpose of this bill is to provide for the appointment of a full-time magistrate for the rural district courts on Oahu, whose jurisdiction shall extend over all of the judicial districts of Ewa, Waianae, Wahiawa, Waialua, Koolauloa and Koolaupoko, who shall serve in addition to, and whose duties, powers and authority shall be the same as, the part-time magistrates presently serving said districts.

Designated as the district magistrate for the rural districts of the city and county of Honolulu, the purposes of creating this position are manifold: In addition to the very practical matter that a full-time magistrate is needed to meet substantial increases in caseload demand, it constitutes the first step toward accomplishing jurisdictional centralization in accordance with the recommendation of your Interim Committee to Improve the Structure and Operation of the Judicial Branch in **Spec. Com. Rep. No. 5**, that there be a single district court for each county whose geographical limits are coextensive with those of the present judicial circuits. Such a

scheme, which is the subject matter of **H. B. No. 787, H. D. 1**, presently before your Committee on Finance (having passed second reading) accomplishes, in turn, an array of purposes: It permits more efficient use of the resulting conglomerate of rural magistrates and court personnel who can be allocated throughout the districts in accordance with caseload requirements, population shifts and other factors. It tends toward uniformity in application and interpretation of laws through coordinated procedural methods, including research and discussion, which, your Committee believes, will minimize irregularity in decisions among the various rural districts and establish more monolithic enforcement standards. This is significant under the bill as it also provides that the criminal jurisdiction of the district magistrate of the rural districts which are within his jurisdiction according to law, shall be coextensive with the circuit court.

Your Committee is in accord with the intent and purpose of **H. B. No. 2007-70** and recommends that it pass second reading, and that it thereafter be referred to your Committee on Finance for further consideration.

Signed by all members of the Committee.

SCRep. 372-70 Judiciary on **H. B. No. 1482-70**

The purpose of this bill is to establish an office of environmental quality control intended to coordinate all state efforts relating to this subject. The Governor, within whose office the office hereby created is placed, appoints the director and necessary personnel; and the powers and duties of the office, in addition to coordination, include recommending programs and legislation related to implementation, conducting research, initiating educational programs, and offering counseling to other governmental agencies and to private industry.

Although there are obvious areas wherein the nature and extent of pollution and its effects require present and immediate attention, there is, on the other

hand, an admitted absence of knowledge of the kind and degree of some of its hazards. The few and limited studies now under way are inadequate to formulate an exacting description of the state's long-range needs. Required, therefore, are extensive monitoring programs designed to ascertain levels of pollutants in air, on land and in water, and in the various forms of life dependent thereon, including the human body. Needed, also, are epidemiologically oriented studies to determine if and when these levels of pollutants are found to constitute definite health hazards. And, finally, an educational program must be launched in order to educate and inform the citizens of this community with regard to the potential hazards of various pollutants and safe methods of their use and disposal.

Your Committee believes that the office of environmental quality control is an essential instrument in the fight against the clear and present danger of pollution to our environment, and effectively administered, it will become a significant factor in the implementation of research and education concerning the continued health, safety, and welfare of the community in which we live.

Your Committee is in accord with the intent and purpose of H. B. No. 1482-70 and recommends its referral to your Committee on Finance for further consideration.

Signed by all members of the Committee.

SCRep. 373-70 Judiciary on H. B. No. 1293-70

The purpose of this bill is to provide for the establishment and operation of a program for waste management, including cooperative planning by the state and county governments, state technical and financial assistance to the counties, utilization of private enterprise, and a permit program for authorization of waste disposal system operations.

Enactment of this measure carries with it a legislative find that existing waste dis-

posal practices in the state are improper and inadequate and create public health hazards and nuisances that are offensive to the public, pollute the environment, and cause economic loss. This bill, therefore, would:

1. Provide for a waste advisory council.
2. Authorize the council to review plans and progress, recommend priorities for the allocation of funds, coordinate planning, and recommend legislation and administrative rules and regulations to State and county governments.
3. Provide for inspection of waste disposal practices and facilities.
4. Establish design and performance standards for waste collection and disposal practices, facilities, and sites.
5. Provide for technical assistance to other agencies.
6. Provide for an educational program for personnel in the field or waste management.
7. Provide for violations and penalties.

The Solid Waste Disposal Act of 1965, Title 2, Public Law 89-272, was intended to launch a new program to develop efficient means of disposing of wastes. In that year, only two states had any form of identifiable waste program, whereas presently at least 38 states are developing plans for state-wide waste programs. This has been achieved through legislation designed to institute federal, state, and local programs to insure a safer environment.

In 1965, in order to carry out the purposes of section 206 of Title 2, Public Law 89-272, the Governor of Hawaii designated the State Department of Health to develop a preliminary report of the Hawaii state plan for solid waste disposal. This undertaking, which was accomplished with the University of Hawaii, resulted in the recommendation of a solid waste advisory council to coordinate state and county planning and to provide for guidance

related to the solid waste management program. The council's purpose was to review the progress being made in the area of waste disposal plans and recommended methods of implementation thereof.

Your Committee on Public Health, Youth, and General Welfare found this bill to be in consonance with the preliminary report of the Hawaii state plan for solid waste disposal, and found that it would provide the state and counties with the necessary means to combat the problem of waste disposal in Hawaii. That committee further noted that the City and County of Honolulu has already commenced operations to combat this problem. Your Committee on Public Health, Youth, and General Welfare made the following amendments to **H. B. No. 1293-70**, with which your Committee on Judiciary is in accord.

1. The word "solid" as used in the context of "solid waste" has been deleted throughout this bill. Your Committee finds that there is no agreed upon definition of the term "solid waste" and the use of the term may be unduly restrictive. Waste is waste, whether solid or liquid.

2. On page 2 of the bill, your Committee has provided that the members of the Waste Advisory Council shall be selected from agricultural interests as well as from industry, labor and conservational interests.

3. On page 4 of the bill, your Committee has deleted the penalty provision. Your Committee finds that waste disposal practices can be carried out efficiently without explicit sanctions.

4. On page 6 of the bill, your Committee has deleted the appropriation amounts and left it open for consideration by your Committee on Finance.

Your Committee is in accord with the intent and purpose of **H. B. No. 1293-70**, **H. D. 1**, and recommends its referral to your Committee on Finance for further consideration.

Signed by all members of the Committee.

SCRep. 374-70 Select Committees of Hawaii, Kauai, Maui and Oahu Representatives on **H. B. No. 2092-70**

The purpose of this bill is to amend Part I of Chapter 47, Hawaii Revised Statutes, by allowing counties to issue bonds and bond anticipation notes within 18 months after the date of approval of this Act at interest rates not exceeding 8 per centum per annum. The present law as it relates to bonds states that it shall not exceed 7 per centum per annum. Your Committee has amended the bill to eliminate the provision of 18 months. Section 47-7, Hawaii Revised Statutes, has been amended to provide that the chief executive officer of the county with the concurrence of the governing body (Legislative Branch) may issue bonds bearing interest not exceeding 8 per centum per annum at any time. The primary reason for this amendment is to allow the change of interest rate due to tight money condition existing in our present day economy. Further, under the provisions of this amendment, the counties need not repeatedly return to the legislature for amendments to Chapter 47, Hawaii Revised Statutes, should the bond market remain the same.

Your Committee has converted the bill to conform to House Rule 24(2).

Your Committees are in accord with the intent and purpose of **H. B. No. 2092-70**, as amended herein, and recommend that it pass second reading and that it be referred to your Committee on Finance in the form attached hereto as **H. B. No. 2092-70**, **H. D. 1**.

Signed by all members of the Committee except Representative Roehrig.

SCRep. 375-70 Public Health, Youth and General Welfare on **H. B. No. 1929-70**

The purpose of this bill is to provide for the care and training of three to five year old children with learning disabilities. An appropriation of \$50,000 provided in this bill would be used by the Department of Health to contract with any nonprofit group to provide for such care and training.

Children with learning disabilities are those children who have a disorder in the basic psychological processes involved in understanding or using language. This disorder may manifest itself in imperfect ability to listen, think, speak, read, write, spell or do mathematical calculations. This disorder does not include children who have learning problems which are primarily the result of visual, hearing or motor handicaps, of mental retardation, of emotional disturbances, or of environment disadvantages.

The problem of children with learning disabilities is one of the more severe problems in the field of education. About 1 to 3 percent of the nation's school population suffers from one or more specific learning disabilities serious enough to require special educational intervention — in numbers, about 500,000 to 1,500,000 children.

Learning disabilities, correctly diagnosed in pre-school years, can be treated and corrected, and such treatment and correction would have a significant impact in reducing the delinquency and dropout problem among adolescents. Studies have shown that many adolescent social and behavioral problems are byproducts of learning disabilities, rather than economic, cultural or motivational deficits.

Most of the children of the 1 to 3 percent of the school population with learning disabilities can be helped in the regular class or special learning disabilities classes. However, children with severe learning disabilities are unable to adjust in the public school setting. These are the children this bill seeks to help.

These children with severe learning disabilities should be enrolled in an accredited program, utilizing certified Department of Education teachers and a multi-disciplined team approach of pediatricians, neurologists, psychiatrists, psychologists, speech hearing therapists, and social workers. This bill would make it possible to accommodate such a program.

Your Committee is in accord with the intent and purpose of **H. B. No. 1929-70** and recommends its passage on second

reading and its referral to your Committee on Finance.

Signed by all members of the Committee except Representative Roehrig.

SCRep. 376-70 Tourism on **H. C. R. No. 53**

The purpose of this resolution, as amended herein, is to request the director of Planning and Economic Development and the County Planning Directors to prepare a comprehensive plan, including a proposed capital improvements program, for the coordinated development of resort areas and related urban needs.

As originally worded, this resolution calls for a preparation of a comprehensive State plan and program that would delineate the coordinated development of resort areas and their supporting districts. The plan would indicate the desired location, extent and character of resort development on each island, and also the resident community required to support these resort facilities. By comprehensive planning and development of this sort, the community could gear its public actions and capital improvements programs accordingly and the private sector could fit its planning and development proposals into the plan.

The Department of Planning and Economic Development supports the intent but opposes the approach proposed in this resolution. The Department believes that the growth of visitor centers should be guided by comprehensive planning that does not have the tourist industry as its sole focus — that it should be State oriented and not merely tourism oriented. Further, in a 15-20 year planned program for resort centers, a serious question arises as to how realistic a projection such as this could be — and the State may run into problems such as misleading developers and investors who rely on such a projection. Thus, the Department believes that the State can only offer general guidelines for builders to follow, but that detailed standards should be set by the counties.

Your Committee is in accord with the points outlined by the Department of Planning and Economic Development and has amended this resolution to include its views.

Your Committee concurs with the purpose of H. C. R. No. 53, as amended herein, and recommends its adoption in the form attached hereto as H. C. R. No. 53, H. D. 1.

Signed by all members of the Committee.

SCRep. 377-70 Agriculture on S. C. R. No. 27

The purpose of this concurrent resolution is to request the Congress of the United States to amend section 23(b)(2) of S. 2116, cited as the "Egg Products Inspection Act" to exempt Hawaii from the provisions of section 23(b)(2) which invalidates Hawaii's egg stamping law.

Because of Hawaii's isolated location and small land area, coupled with its prevailing climatic condition, the industry is almost totally dependent upon imports for feed, chicks, and other factors required in the production and marketing of shell eggs. This dependency makes production and marketing costs comparatively higher than those of the mainland counterpart ultimately resulting in a high price as well.

However, an examination of the history of the Hawaii egg industry shows that at the close of World War II, local raisers produced less than three million dozen of eggs annually whereas, last year, 17 million dozen of eggs were produced. During about the same period, on the other hand, the total volume of imported eggs declined steadily from an all-time high of three million dozens in 1940 to less than one million dozens in 1969. In terms of total market supply, the Hawaiian egg industry supplied only 46 percent in 1940, but increased this to 96 percent in 1969.

Thus, it is evident that the impressive growth of Hawaii's egg industry was accomplished despite the fact that island eggs, on the average, sold at a price

approximately 9c higher than imported eggs of comparable grade and size. While the rapid technological advances greatly influenced the growth of the industry, other equally important factors were contributory. Specific among these, accomplished with the aid of the labeling law, was the development of a preference for local eggs among island consumers.

Hawaii's progressive and viable industry, however, is now in jeopardy. The passage of S. 2116 in its present form threatens the egg industry and the livelihood of 420 farmers by invalidating Hawaii's origin stamping law. This invalidation would not only lead to a greater flow of imported eggs than at present to Hawaii and an imbalance of the supply and demand relationship, but would also eliminate the only effective and efficient regulatory technique for identifying imported and local eggs. Without the egg stamping law and because island eggs command a higher price than mainland eggs, there exist the distinct possibility and opportunity that imported eggs would be sold in containers intended to deceive the Hawaiian housewife that the egg contained within it is of local origin. A spokesman for the State Department of Agriculture testified before your Committee that the elimination of the place-of-origin stamping requirement would make it very difficult and cumbersome to effectively prevent the sale of out-of-state produced eggs as island eggs.

Your Committee feels that passage of S. 2116 in its present form would not be in the best interest of the State since it, essentially, would allow this kind of deceptive practice as well as permit mainland exporters to indiscriminately ship surplus eggs into a delicately balanced "pocket market."

Inasmuch as Senator George Aiken of Vermont, the author of the bill stated that "the bill is designed to guarantee that consumers will receive wholesome eggs and egg products by controlling the use of restricted eggs and by continuing the grading of eggs" and because Hawaii's consumers have come to prefer and have received wholesome island eggs for years, your Committee feels that Hawaii could

be exempted from section 23(b)(2) of S. 2116 without deviating from the basic intent of the bill.

Your Committee is in accord with the intent and purpose of **S. C. R. No. 27, S. D. 1** and recommends its adoption.

Signed by all members of the Committee except Representative Roehrig.

SCRep. 378-70 Finance on S. C. R. No. 41

The purpose of this concurrent resolution is twofold. First, it is intended to congratulate and thank the many people in government and private industry who worked so diligently and successfully in contributing to the preparation of the **Agriculture Development Plan — 1970**. Secondly, this resolution proposes to give legislative recognition to a monumental document which fulfills the legislative mandate of the Fourth Legislature.

Your Committee has amended this resolution since it feels that more time is needed to study the details of the plan before it can be endorsed.

Your Committee is in accord with the intent and purpose of **S. C. R. No. 41**, as amended herein, and recommends its adoption in the form attached hereto as **S. C. R. No. 41, H. D. 1**.

Signed by all members of the Committee.

SCRep. 379-70 Finance on H. B. No. 251

The purpose of this bill is to provide for a substantially enlarged program of relocation assistance for persons, businesses, and farms displaced by the construction of State highways. This program is a requirement under the Federal Aid Highway Act of 1968, which requires compliance by the states by July 1, 1970. Noncompliance may result in a curtailment of Federal aid for highway projects.

Your Committee has amended the bill by:

(1) expanding the scope of the program to include all highways,

(2) adding additional definitions of the terms,

(3) specifying in greater detail the measures, facilities, and services of a relocation advisory assistance program,

(4) clarifying that relocation payments shall not be considered as income for State income tax purpose nor as income or resource to any recipient of public assistance,

(5) permitting the Director to adopt applicable rules and regulations and specifying in greater detail what these rules and regulations shall include,

(6) deleting sections 5 and 6 and adding a section on eminent domain and a severability clause,

(7) rewording the title to read: "A BILL FOR AN ACT RELATING TO HIGHWAY RELOCATION ASSISTANCE AND PAVEMENTS", and

(8) making reference to the Hawaii Revised Statutes.

Your Committee is in accord with the intent and purpose of **H. B. No. 251**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 251, H. D. 1** and that it be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 380-70 Finance on H. B. No. 1265-70

The purpose of this bill is to appropriate funds for the construction of a stadium in the City and County of Honolulu. Your Committee finds that the present stadium facility in Oahu is now and has been for many years dilapidated, obsolete and insufficient to meet the needs of the University of Hawaii, the Department of Education and the people of Hawaii. It is generally agreed by our citizens and government officials that a new stadium is urgently needed in the City and County

of Honolulu.

Your Committee is in general agreement with the findings of the Mayor's Stadium Advisory Committee appointed by the present administration relative to the size, plans, construction cost, and the use of such stadium.

Your Committee has considered the various funding proposals offered by the City, the State, and others, as well as the means of management of the stadium. Your Committee believes that more problems are created by dual ownership than by having one authority own and manage the stadium. In addition, it is apparent that the City is reluctant to undertake a considerable financial investment by itself without substantial aid from the State due to its financial posture at this time. Further, the City Council in Resolution No. 100 adopted on March 24, 1970, stated that ". . . in the event that the State is willing to undertake the stadium project on its own, we are willing to turn over to the State all of the land we have acquired in Halawa for the stadium project together with all engineering and other studies made in connection therewith. . ." In view of the foregoing, your Committee recommends that the State assume full jurisdiction over the stadium by fully funding and operating the stadium. Further, the appropriation herein is conditioned on the City meeting its commitment as expressed in said resolution.

This bill creates a stadium board consisting of nine members, three members to be appointed by the Governor, three appointed by the President of the Senate and three appointed by the Speaker of the House of Representatives. They shall serve for four years on a staggered basis and shall receive no compensation but shall be reimbursed for their expenses incurred in the performance of their duties.

The board is given authority to operate, manage and maintain the stadium and related facilities, to prescribe and collect rent, fees and other charges for the use and enjoyment of the stadium and to appoint a manager and deputy manager to administer the affairs of the stadium.

The funds appropriated by the Legislature at the 1969 session are to be used to supplement the funds in this bill. The funds appropriated herein shall not be used for the construction of any amusement park and no part of the property acquired from the City is to be used for such.

Your Committee believes that the State should take this bold step in providing a much needed facility for our citizenry.

Your Committee is in accord with the intent and purpose of **H. B. No. 1265-70**, as amended herein, and recommends its passage on third reading in the form attached hereto as **H. B. No. 1265-70, H. D. 1.**

Signed by all members of the Committee.

SCRep. 381-70 Finance on H. B. No. 629

The purpose of this bill is to make appropriations for a public park at Rainbow Island, now called Anuenue. Your Committee has amended this bill by providing the sum of \$1,000,000 in general obligation bond funds to be used for planning and construction of the park.

Your Committee feels that Anuenue is a natural site for a State park. It is ideally located outside the center of Honolulu but is still easily accessible. The wide expanse of waterfront area makes it possible to have facilities for swimming, surfing, water skiing, and boating in addition to camping and picnicking. Since the island is relatively undeveloped, it lends itself to an easy and quick development as a State park to meet the growing needs of our State for recreational facilities.

The proposed park represents our concern for the social and physical well-being of our people. As Speaker of the House Tadao Beppu stated in his opening day address ". . . we must also promote the preservation of our natural beauty, our open space, our recreational areas, and our cultural heritages for these are just as essential to a good life for the people of Hawaii." With increased industrialization and urbanization, the State can take posi-

tive action in this instance to preserve a valuable recreational outlet before it is irrevocably used for industrial or commercial purposes.

The proposed park is the largest beach park envisioned on Oahu. Two hundred and fifty acres out of the total island area of 560 acres are designated for park use. By comparison, Ala Moana Park has approximately seventy acres. A portion of the inland area is set aside for sewage treatment facilities. Earlier plans designated a portion of the beach area for this purpose but your Committee feels that this area could be more valuably used for park purposes. A map of the park and sewage treat-

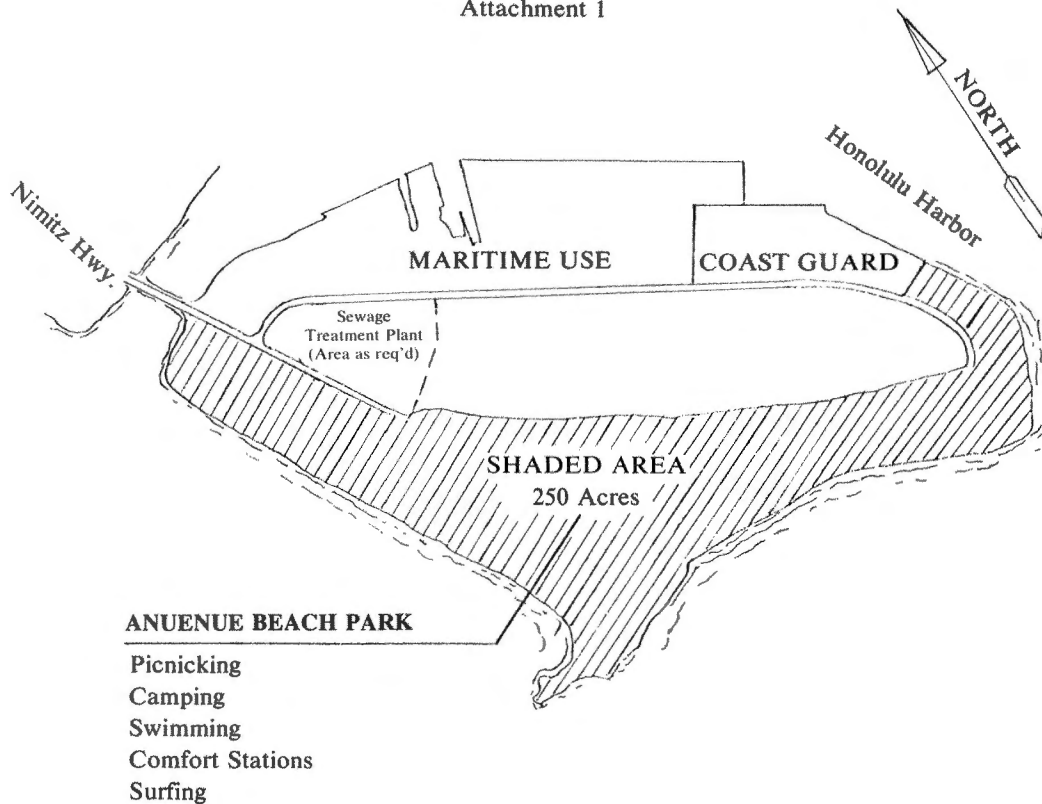
ment site is attached to this Committee Report. The favorable year-round climate and the varied recreational facilities planned for the park will insure year-round use and enjoyment of the park.

The title of this bill has been amended to reflect the changes made herein.

Your Committee is in accord with **H. B. No. 629** as amended herein and recommends its passage on second reading in the form attached hereto as **H. B. No. 629, H. D. 1**, and that it be placed on the calendar for third reading.

Signed by all members of the Committee.

Attachment 1



SCRep. 382-70 Finance on S. B. No. 1131-70

The purpose of this bill is to appropriate funds for the capital improvements program of the State for fiscal year 1970-1971.

Your Committee, after careful review and evaluation of the Governor's capital

improvements budget, agreed in principle and substance with the general approach and emphasis placed on education, transportation with its impact on economic development, and on projects intended to upgrade our physical and social environment. Therefore, the executive budget was used as a base in further developing a sound capital improvements budget.

Additions were made based on long-term programming and on the State's indicated ability to support the additional needed projects. Accordingly, the bill was amended to reflect these and other changes and proposes a capital improvements budget of \$274,577,000 to be financed as follows:

General Obligation Bond (Non-Reimbursable) or Cash	\$128,184,000
General Obligation Bond (Reimbursable)	29,685,000
Special Funds	2,650,000
Federal Funds (Non-Highway)	2,966,000
Federal Aid Interstate	41,280,000
Federal Aid Primary	6,205,000
Federal Aid State	2,006,000
Federal Aid Urban	68,000
Revenue Bonds	54,391,000
County Funds	7,142,000
Total	\$274,577,000

Your Committee believes that the tremendous advances made in our educational system in recent years must be sustained and encouraged. It is recognized that one of the contributing factors to quality education is an environment physically conducive to the learning process. Consequently, your Committee has placed the greatest emphasis on educational projects.

The appropriation for the second high school at Hilo, County of Hawaii, shall not be construed to mean that the present Pahoa High School should be merged with the new school at this time.

The University of Hawaii has experienced a tremendous growth in the past five years, with enrollment nearly doubling. Your Committee has provided for additional facilities to meet this explosive expansion. Your Committee has included a total of \$10,015,000, of which \$2.7 million is cash, for the student dormitories at the Manoa Campus. This appropriation will permit the University to accelerate its dormitory program which is already long overdue. Another \$2,000,000 appropriation is made for the purchase of the Kaiser Estate, situated at Hawaii Kai, for use as an international conference center as well as for

other conferences or seminars. This center is to be maintained and operated by the University of Hawaii. Your Committee feels that the site and the buildings are ideal for such a conference center and the cost is much less than would be required should the State decide to build a new conference center in the future. This conference center will further identify our involvement in the Pacific and Asian basin.

In the area of transportation, your Committee has selected projects which offer the greatest potential for economic growth and development. Your Committee has, by separate bill, provided for \$500,000 to aid the City and County of Honolulu in implementing a mass public transportation system.

Your Committee recognizes the importance of our physical and social environment and has provided additional funds for State parks and for water and land development projects. For many years the State has aided the counties in their water development projects and it is expected that the counties expeditiously provide the matching funds wherever reflected in this bill.

Appropriations for houselot developments and the community colleges have also been incorporated in this bill.

Your Committee is in accord with the intent and purpose of **S. B. No. 1131-70, S. D. 2**, as amended herein, and recommends its passage on second reading in the form attached hereto as **S. B. No. 1131-70, S. D. 2, H. D. 1**, and that it be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 383-70 Finance on H. B. No. 397

The purpose of this bill is two-fold. **First**, it creates a new department to mobilize the resources of the State to plan, implement and promote programs designed to increase the availability of decent housing at reasonable cost to the residents of the State and to raise the quality of life in the communities. **Second**, it provides specific

new programs by which the critical need for housing at reasonable cost might be met.

QUALITY OF LIFE

The current housing crisis is but one of many social ills imposed on our communities by increasing population, creeping urbanization and advancing technology. Poverty, crime, pollution, noise, communications, transportation and recreation are other issues which have emerged, demanding public attention. All of these problems — housing, the environment and urbanization — affect the quality of life of our residents.

That a resolution of these issues is complex is acknowledged by all. It is becoming increasingly evident, however, that the issues are inter-related and that none of them can be successfully resolved without considering the others. For example, housing created simply for its own sake may be the beginning of a new slum. Your Committee believes that an integrated, rather than a fragmented effort is required in coping with these multitude of problems. Thus, any effort on the part of the State to improve the quality of life of our citizens should be a coordinated one, taking into account, shelter, environment, and the social and physical needs of the people.

HOUSING

The specific issue of housing can be intelligently discussed and the resources of government effectively mobilized to cope with the immediate needs in this area only if it is viewed in a proper perspective. The current critical nature of the housing issue arises from a **shortage** in the supply of adequate dwelling quarters. It is the shortage which in a large part accounts for people living in substandard quarters, for landlord failing to keep rental quarters in a decent state of repair, and for rentals being charged to tenants of rented dwellings at rates considered exorbitant. This being so, any governmental effort to cope with the housing problem must be directed to increasing the availability of decent housing at reasonable cost.

AMENDMENTS

H. B. No. 397, H. D. 1, has been amended by your Committee to reflect the viewpoints expressed above. Thus, the department of housing proposed in **H. B. No. 397, H. D. 1**, has been expanded to include environmental control and urban affairs to furnish that coordination required in resolving all issues relating to the quality of life of our people. The bill has been further amended to make availability of decent housing at reasonable cost the central focus of the State's efforts.

The bill, as amended by your Committee, consists of seven parts. Part I of the bill creates a new department of housing, environmental control and urban affairs. Parts II to V propose new programs to cope specifically with the housing problem in the State. Part VI amends existing programs which deal with housing. Part VII contains an appropriation to effectuate the purposes of the act, a severability clause and the effective date of the act. A further, brief explanation of each part is as follows:

Part I. Part I of the bill creates a new department of housing, environmental control and urban affairs. The general function of this new department is to plan, implement and promote programs designed to improve the quality of life of our people. It has the responsibility of administering programs in housing, air, water, noise and other pollution, urbanization and community development in a coordinated fashion. All existing programs relating to housing, environmental control and urban affairs are transferred to this new department. The Governor is permitted until July 1, 1972, to effectuate the transfer by executive orders, and he is requested to submit to the Legislature at the 1971 and 1972 sessions, such other legislation as may be required to effectuate the purposes of the creation of the new department.

Parts II to V generally. Parts II to V generally spell out four different programs designed to combat the shortage of housing which now exists. The order in which the programs are arranged by parts indicates what your Committee believes should be

the priorities of the State. In all programs, your Committee expects the department of housing, environmental control and urban affairs to set reasonable standards to which the individual qualifying under the respective programs are to be selected to receive the benefits of the programs.

Part II. Part II is designed to assist those who earn sufficient income but who do not have the necessary funds to make a down payment to qualify for a loan at a private lending institution in the purchase of a residence. The program designed in this part makes State funds available as loans to these persons to enable them to make the required down payment. The down payment is repayable over a period not exceeding forty years, and the interest rate on the down payment loan is kept to a minimum. The long time period for repayment is being provided in the light of the high monthly payments now being required by private lending institutions on the loans they make for the balance of the purchase price.

Part III. Part III of the bill is intended to assist persons of low or moderate income, the aged and those evicted by governmental action (such as persons displaced by a urban renewal program). A person of low or moderate income is defined in the bill as a person having a gross income of not more than \$15,000 per annum, including the gross income of the spouse where a husband and wife are living together. These groups of people traditionally find it difficult to secure loans from private lending institutions to purchase a home because of their limited income or age. Under the program designed in Part III, the State may act as an insurer of the top twenty-five per cent of the unpaid principal balance of any loan made by a private institution.

Part IV. Part IV provides a means by which any shortage of home mortgage loan moneys occurring in the private sector may be alleviated. This part makes State funds available for participation in any loan made by private lending institution in the purchase of residences by persons of low or moderate income, the aged and those evicted by governmental action.

Part V. Part V empowers the department of housing, environmental control and urban affairs to acquire private and State lands and to develop housing projects for sale, lease or rent to the residents of the State. In accordance with the approach taken by your Committee, the department is authorized to acquire by eminent domain or through negotiations, existing housing projects and related facilities and to sell, lease or rent the dwelling units therein. Where the department develops a new housing project, the bill calls for a community planning approach to be taken. Such development may be undertaken by the department itself or contracted out to a developer or contractor via the sealed tender procedure.

The bill provides that in the case of the sale of any dwelling units in any housing project, the department recover at least the cost of the development. However, in the event of rental, the department is authorized to rent at rentals reasonably commensurate with the financial ability of the purchaser. So set, the rental in many cases will not recover the cost of development, except perhaps over an extended period of time. Your Committee believes and so directs the department that priority should be given to the rental of the dwelling units, rather than a sale, as probably the fastest means of making decent housing at reasonable cost available in greater numbers in the State of Hawaii.

In all of the different programs contained in Parts II to V, your Committee believes that sufficient safeguards are incorporated to prevent speculation.

Part VI. Part VI of the bill amends certain existing housing and related programs. It incorporates the contents of the following other bills which are now in your Committee: **H. B. No. 1274-70; H. B. No. 1275-70, H. D. 1; H. B. No. 1280-70, H. D. 1; and H. B. No. 1730-70, H. D. 1.**

Part VII. Part VII contains provisions relating to severability of the bill, provides an appropriation from the general fund to carry out the purposes of the act and sets forth the effective date. Of the total appropriation of \$2,500,000, the sum of

\$300,000 is set aside for the purpose of administering the various programs (Parts II to V) contained in the bill. This sum of \$300,000 is in addition to all moneys appropriated under the general appropriations act enacted at this session of the Legislature and contemplates the addition of not more than eighteen new positions, thusly:

Administrative Office (8)

1 Director
 1 Deputy Director
 1 Secretary to Director
 1 Secretary to Deputy Director
 1 Personnel Officer
 1 Personnel Clerk
 1 Fiscal Officer
 1 Account Clerk

Program Personnel (10)

1 Attorney
 1 Program Planner
 1 Finance Administrator
 1 Account Clerk II
 1 Stenographer III
 1 Stenographer II
 1 Management Administrator
 1 Stenographer III
 1 Civil Engineer
 1 Clerk-Stenographer II

With respect to the effective date, since the full implementation of the creation of the department of housing, environmental control and urban affairs need not be had until July 1, 1972, the bill provides that until such full implementation, the programs set forth in Parts II to V shall be carried out by the Hawaii Housing Authority. In addition, the bill provides that the functions set forth in chapter 206, shall also be carried out by the Hawaii Housing Authority until the department of housing, environmental control and urban affairs is fully effectuated. Your Committee has singled out this program from all others which are subject to transfer to the new department, since this program is not now in operation and thus there will be little difficulty in having this program operated by the Hawaii Housing Authority.

RECOMMENDATION

Your Committee is in accord with the intent and purpose of **H. B. No. 397, H. D. 1**, as amended herein, and recommends that it pass third reading in the form attached hereto as **H. B. No. 397, H. D. 2**.

Signed by all members of the Committee.

SCRep. 384-70 Printing and Revisions

Informing the House that **House Resolution Nos. 273 to 278, House Concurrent Resolution No. 102, Standing Committee Report Nos. 380-70 to 383-70 and Standing Committee Report Nos. 385-70 to 408-70** have been printed and distributed.

Signed by all members of the Committee.

SCRep. 385-70 Select Committee of Hawaii Representatives on H. B. No. 1943-70

The purpose of this bill is to promote the educational, cultural, economic, and general welfare of the public through the preservation and protection of buildings, sites, and areas of historic significance in Kailua-Kona, County of Hawaii, through the maintenance of landmarks and through the development of appropriate settings for such buildings, sites and areas.

Your Committee finds that the future of Kailua-Kona as an economically viable area is dependent upon the preservation of the area's environment of open space, historic homesites, churches, landmarks and the scenic beauty of the town. In order to maintain this unique educational, historic, cultural and scenic center of Hawaii, your Committee finds that the creation of the Kailua-Kona historic preservation district is essential to the unimpaired preservation of the area as a tangible reminder of old Hawaii. In planning for its future the retention of the beauty and serenity that has drawn visitors to Kailua-Kona since the early days of Hawaiian history is paramount.

Your Committee is in accord with the intent and purpose of **H. B. No. 1943-70** and recommends that it pass second reading and be referred to your Committee on Lands.

Signed by all members of the Committee.

SCRep. 386-70 Education on H. B. No. 1934-70

The purpose of this bill is to allow Department of Education certificated personnel returning from sabbatical leave to serve in the Department of Education or any other departments or agency of the State of Hawaii without loss of benefits.

The present statutes require that teachers or educational officers who go on sabbatical leave must return to and serve in the Department of Education for a period of not less than two years. If they fail to return to the Department, they must refund to the State all monies received while on sabbatical leave. There is no provision in the statutes allowing them to return to the State and, for example, accepting a position at the University of Hawaii or any of the community colleges.

Your Committee believes that the present statute is too restrictive and that teachers or educational officers returning from sabbatical leave should be allowed to return to any public educational system or department, not necessarily to the Department of Education. But it does not concur with the idea of allowing them to return to "other departments or agencies of the State of Hawaii". Your Committee feels that educators going on sabbatical leave do so to improve their competence in the field of education, and since public funds are used to partially subsidize them while on sabbatical leave, they have an obligation to return to the field of public education and use their additional knowledge and competence to further the progress of public education in Hawaii.

Your Committee has, therefore, amended the bill to provide that certificated personnel returning from sabbatical leave should serve for a minimum of two years

with the Department of Education, or the University of Hawaii, or any of the community colleges.

Your Committee has deleted the provision for reimbursement of certificated employees who went on sabbatical leave after January 1, 1966 and did not return to the Department of Education but went to work at the University of Hawaii or at one of the community colleges. The contracts signed by these individuals included provisions that they must return to work for the Department of Education as a condition of going on sabbatical leave and as such they chose not to return with full knowledge of the penalty.

Your Committee is in accord with the intent and purpose of **H. B. No. 1934-70**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 1934-70, H. D. 1**, and recommends its referral to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 387-70 Public Health, Youth and General Welfare on H. B. No. 2064-70

The purpose of this bill is to assist businessmen in complying with the labeling requirements under the Hawaii Food, Drug and Cosmetics Act.

The Hawaii Food, Drug and Cosmetics Act prohibits the use of misleading labels on certain products but does not authorize the Department of Health to approve or register the labeling of these products. The Department of Health does, however, offer comments on labeling requirements as set forth in the Food, Drug and Cosmetics Act and issues a label review certificate to any businessman who submits his labelings for review and whose labelings meet the statutory requirements.

Once the businessman receives clearance from the Department of Health, he proceeds with the printing of the labels. However, in numerous instances thereafter, the businessman is notified by the Department of Health that there has been

changes in the Department's rules and regulations concerning labeling and that the businessman must make new labels to comply with the changes. This causes an economic hardship to the businessman since he must discard his existing supply of labels and must make a set of printing plates for his new labels.

The businessman's problem of complying with new labeling requirements can be corrected by giving the Department of Health discretionary authority to register certain products. Submission of labels would be required at the time of the application for registration as part of the registration process. The submission of labels of products prepared in compliance with the requirements of the Federal Food, Drug and Cosmetics Act would constitute satisfactory compliance for registration. The Department's discretionary authority in the registration process would provide flexibility and help alleviate any hardship caused to businessmen in printing labels for their products.

Your Committee has converted this short-form bill into long form, including the provisions set forth above. An appropriation of \$21,016 is provided to carry out the purpose of this bill. Further, the restrictive title of this bill: "A BILL FOR AN ACT RELATING TO THE LABELING OF FOODS, DRUGS AND COSMETICS." has been changed to a broader form: "A BILL FOR AN ACT RELATING TO FOOD, DRUGS AND COSMETICS."

Your Committee is in accord with the intent and purpose of **H. B. No. 2064-70**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 2064-70, H. D. 1** and recommends its referral thereafter to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 388-70 Government Efficiency and Public Employment on **H. B. No. 1880-70**

The purpose of this Act is to amend the Hawaii Workmen's Compensation Law to

entitle a reserve policeman to disability benefits, and the dependents of a reserve policeman who dies in the voluntary performance of police duties to death benefits and funeral and burial expenses.

Under present law a reserve policeman is entitled to only medical and hospital benefits. The only compensation given a reserve policeman is a gasoline allotment for each tour of duty. They are required to use personal funds for items such as uniforms and revolvers.

The duties performed by reserve policemen have not only added strength to the regular force, but have resulted in considerable savings in cost to the city. It is estimated that the reserve officers assigned to the Patrol Division alone provide services equivalent to four full-time regular officers representing a minimum savings to the city of \$32,000 per year in salaries.

Last year, a reserve police officer was killed in the performance of his duty. His death has created a great deal of concern among other members of the reserve force and brought to fore the realization of the consequence of the non-availability of workman's compensation benefits to reserve police.

Your Committee has converted the form of the bill to comply with House Rule 24(2).

Your Committee is in accord with the intent and purpose of **H. B. No. 1880-70**, as amended herein, and recommends its passage on second reading and its referral to the Committee on Finance in form attached hereto as **H. B. No. 1880-70, H. D. 1**.

Signed by all members of the Committee.

SCRep. 389-70 Government Efficiency and Public Employment on **H. B. No. 1881-70**

The purpose of this Act is to provide

legal representation to a fireman at the expense of the city or county government whenever he is prosecuted for any crime for acts done in the performance of his duty as a fireman, or any traffic violation while in the course of operating any firefighting apparatus or other authorized emergency vehicle of the Fire Department, or sued in any civil cause for acts done in the performance of his duty as a fireman.

Policemen are presently eligible to receive legal counsel in both criminal and civil matters under Section 52-3 of the Hawaii Revised Statutes. In civil actions, the Corporation Counsel or County Attorney as the case may be, acts as legal advisor, while in criminal matters a policeman is entitled to have an attorney employed and paid for him by the county in which he is serving. There is no comparable provision in the Hawaii Revised Statutes covering members of the Fire Department.

Your Committee is in accord with the intent and purpose of **H. B. No. 1881-70** and recommends its passage on second reading, and its referral to the Committee on Judiciary for further consideration.

Signed by all members of the Committee.

SCRep. 390-70 Public Institutions and Social Services on **H. B. No. 1979-70**

The purpose of **H. B. No. 1979-70**, as amended herein, is to appropriate the sum of \$100,000 for the development of a master plan for Hawaii State correctional facilities.

Your Committee finds that existing corrections facilities in Hawaii, particularly those at Oahu Prison, are antiquated and wholly inadequate. However, the problem is actually two-fold: 1) existing facilities are not in consonance with the rehabilitative concepts of the National Council on Crime and Delinquency; 2) additional satellite facilities are needed to implement a basic program of rehabilitation and reintegration. These satellite facilities would include half-way houses, conditional release centers, pre-parole centers and such other transitional facilities as might most effectively facilitate the successful re-

entry of the individual into the community.

There is therefore an urgent need to begin the development of a master plan at the earliest practicable time. Such a plan would include but not be limited to schematic designs and scale models of various components of the correctional system. This bill, as amended, will provide the necessary funds for such planning.

The title of the bill has been amended to read as follows: "MAKING AN APPROPRIATION FOR THE DEVELOPMENT OF A MASTER PLAN FOR HAWAII STATE CORRECTIONAL FACILITIES." The amended title more accurately reflects the intent of your Committee to provide for the planning of an integrated correctional system which in light of modern correctional concepts cannot be adequately implemented without a supporting system of satellite facilities. As originally drafted the bill might be construed as limited to Oahu Prison. Although certainly a large part of the master plan will be concerned with that facility, in order to function effectively the corrections system must be an integrated whole with the various components enhancing the possibility of successful rehabilitation and reintegration. Section 1 of the bill has likewise been amended to insure that planning and implementation is not limited to the Dillingham site.

Section 2 of the bill has been amended to provide that the sum appropriated shall be expended by the State Law Enforcement and Juvenile Delinquency Planning Agency instead of by the Legislative Auditor. Your Committee finds that the Agency has been intimately involved in all aspects of the corrections field and is therefore best equipped to expend the appropriation provided by this bill.

Your Committee is cognizant of the fact that there are unencumbered balances totaling \$307,000 from items in three previous acts dealing with corrections. These prior appropriations provided funds for the planning of various correctional facilities. The appropriations referred to are (1) Item B-6-c of Section 1 of Act 52, Session Laws of Hawaii 1964; (2) Item L-1 of Section

1 of Act 195, Session Laws of Hawaii 1965; and (3) Item II-G-6 of Section 1 of Act 38, Session Laws of Hawaii 1966. Your Committee finds that further expenditures under these appropriations prior to the development of the master plan called for by this bill will be meaningless and wasteful. It is the intent of your Committee that such unencumbered balances shall be used for implementation of the master plan once it has been developed and approved by the Legislature.

Your Committee is in accord with the intent and purpose of **H. B. No. 1979-70**, as amended herein, and recommends its passage on second reading and its referral to your Committee on Finance in the form attached hereto as **H. B. No. 1979-70, H. D. 1**.

Signed by all members of the Committee.

SCRep. 391-70 Labor and Employment Problems on H. B. No. 1341-70

The purpose of this bill is to amend several sections of Chapter 202, Hawaii Revised Statutes, which covers manpower and full employment and to appropriate funds to implement the proposed changes in the law. The bill was drafted to implement some of the specific recommendations on manpower made by the Joint House-Senate Interim Committee on Labor established pursuant to **H. C. R. No. 101**, 1969 Session, to study the state's manpower needs. In **Special Committee Report No. 7**, dated March 2, 1970, said Joint House-Senate Committee made a general recommendation that "the commission on manpower and full employment be responsible for the overall planning, review and allocation of federal manpower funds; and provide the assistance, liaison, information, innovating, suggestions, monitoring, coordination and evaluation of the various manpower programs operating in the State". It also made several specific recommendations for the amendment of the State Manpower Commission Act. This bill was drafted to implement those specific recommendations and the proposals contained therein are as follows:

1. Section 1 of the bill proposes to

enlarge the membership of the state advisory commission on manpower and full employment from 11 to 13 members and to add the chairman of each county advisory committee on manpower and full employment and at least one representative from the lower economic sector of the community to the commission. The present membership of the commission consists of at least 3 members from labor, 3 members from management, one from agriculture, one from education, with the remaining members selected from other segments of the community. The proposed composition of the commission is at least 3 members from labor, 3 from management, 1 from agriculture, the chairman of each county advisory committee on manpower and full employment and at least 1 representative from the lower economic sector of the community.

2. Section 2 of the bill proposes to amend Section 202-5, Hawaii Revised Statutes, by adding a new function to be performed by the commission. This new duty would be to "prepare and submit an annual statewide manpower plan to the governor".

3. Section 3 of the bill proposes to amend Section 202-5, Hawaii Revised Statutes, by transferring the commission from the department of planning and economic development to the Governor's office.

4. Section 4 of the bill proposes to amend Section 202-6, Hawaii Revised Statutes, by changing the name and composition of the present committee which serves in an advisory capacity to the commission and also serves as an interdepartmental liaison and coordinating body. This interdepartmental committee is presently composed of the heads of the departments of agriculture, education, social services, labor and industrial relations, and planning and economic development, and the president of the University of Hawaii. The bill proposes to enlarge this group to an inter-agency committee composed of the governor's administrative director, the heads of the departments of agriculture, education, social services, labor and industrial relations, planning and economic

development, health, personnel services, and the directors of the Hawaii office of economic opportunity, community college services, law enforcement and juvenile delinquency agency, commission on aging, the executive officer of the state vocational-education coordinating committee, and the executive secretary of the commission on children and youth. The proposed amendment would give the advisory, liaison, and coordinating body a broader base by involving more state agencies.

5. Section 5 of the bill proposes to transfer the secretariat of the state comprehensive manpower study plan committee to the advisory commission on manpower and full employment in line with the interim committee recommendation that the "State C.A.M.P.S. process and staff" be officially made a responsibility of the commission.

6. Section 6 and 7 of the bill propose the appropriation of funds in unstated amounts for the transfer of personnel proposed in Section 5 of the bill and for the addition of 1 economist, 1 statistical analyst, and 1 statistical clerk to the staff of the advisory commission on manpower and full employment.

Your Committee upon consideration of the bill agrees the finding made by the joint House-Senate committee established pursuant to **H. C. R. No. 101**, 1969 Session, "that there is a critical need to broaden the Commission's responsibilities, particularly the concernment of the State's human resources that compose the current and potential work force" is a valid one. It concurs in general with the recommendations of the joint committee. Upon further consideration of the recommendations, however, your Committee feels that if the commission is to be made "responsible for the overall planning, review and allocation of federal manpower funds" and is to "provide the assistance, liaison, information, innovating suggestions, monitoring, coordination and evaluation of the various manpower programs operating in the State" as recommended by the joint committee, further changes in the composition and duties of the commission are in order.

It has therefore amended the bill in several respects.

Your Committee is of the opinion that Section 1 of the bill should be amended to provide a larger commission composed of up to 18 members and the membership requirements of this enlarged commission should parallel the membership requirements for the state advisory council on vocational education required by the Federal Vocational Act of 1963, as amended by P. L. 90-576. This will make possible the designation of the manpower commission as the advisory council on vocational education and allow it to fulfill its broadened responsibilities in the area of vocational education.

Your Committee is also of the opinion that Section 2 of the bill should be amended by creating another new function for the commission. The commission should be specifically designated the "responsible body for planning, reviewing and valuating all state and federal manpower programs" and should be allowed to "make recommendations for the allocation of funds" relating to manpower programs.

Your Committee also feels that the commission should be permitted to appoint professional and technical personnel who would be exempted from civil service requirements. The expanded responsibilities of the commission will require it to engage the services of highly trained professional and technical personnel who would be difficult to recruit through normal civil service procedures.

Your Committee upon further consideration of the proposal to transfer the commission to the governor's office concurs that the transfer should be made. However, it is of the opinion that the commission's function of advising the department of labor and industrial relations and the department of education should be deleted from Section 202-5. The departments, under Section 202-6, are supposed to advise the commission rather than receive advice from it.

The section proposing the amendment of Section 202-6 to provide an inter-agency

committee rather than an interdepartmental committee has been amended to meet the technicalities related to positional changes in the community college and the University of Hawaii. Rather than the head of community college services, the representative from the University should be the president of the University or his designated representative. It is expected that the person who heads the community college system will be the president's designated representative.

Your Committee has amended the appropriation sections of the bill by providing \$90,000 for additional staffing and \$30,000 for the transfer of the secretariat and staff of C.A.M.P.S.

Your Committee has converted the form of the bill in compliance with House Rule 24(2).

Your Committee is in accord with the intent and purpose of the bill, as amended, and recommends its passage on second reading in the form attached hereto as **H. B. No. 1341-70, H. D. 1**, and that it be referred to your Committee on Finance for further consideration.

Signed by all members of the Committee.

SCRep. 392-70 Agriculture on H. R. No. 232

The purpose of this resolution is to request the Federal government through the United States Department of Defense to provide funds to assist the State in housing and caring for the pets of military personnel during the entry quarantine period.

Your Committee finds that the State animal quarantine program requires all carnivores, such as dogs and cats, being imported into the State to be held in quarantine for a period of 120 days. This mandatory quarantine is imposed to prevent the introduction of animal diseases such as rabies which are transmissible to animals and man. The number of pets requiring quarantine has increased approximately ten percent per year over the past decade which has necessitated the con-

struction of the new quarantine station in Halawa Valley. Within the past three years, approximately 40-45% of the animals processed have been pets owned by military personnel.

The growing requirement for increased services and expanded facilities to maintain this program has been recognized by the State. This State currently is undertaking a capital improvements program within a three year period which is projected to cost the State in excess of \$4.4 million. In addition, the annual operating budget for the program has increased comparably with the number of pets processed, and is expected to cost the State in excess of \$.5 million in the next fiscal year. Despite the growing costs involved, the quarantine facility continues to be available to all pet owners, military and civilian alike.

Your Committee recognizes the sizeable investment which the State is committed to in this quarantine program. It further realizes that nearly half of the use of the facility is by the pets of military personnel and their dependents, but that the total capital improvement and operating budgets are being funded solely by the State without any federal assistance.

Your Committee feels that a parallel can be drawn between this situation and one which has existed and been resolved pertaining to educational agencies which provide services to local residents as well as to the families of federally employed, non-permanent residents such as the military. In these cases, such as with the military in Hawaii, federal funds for construction and operations can be applied for by local educational agencies, such as the State Department of Education, which provides school facilities for the dependents of military personnel stationed locally. (Title I, Public Laws 81-815 and 81-874). Under these laws, the amount of federal aid which an applicant can request is dependent upon the number of military dependents which the applying educational agency accommodates. The amount of federal assistance is therefore variable, and is geared to reflect a degree of support to the state program which is proportionate to the services the State provides.

In view of the federal laws mentioned above, the high percentage of military use of the quarantine facility, the services provided, and the resulting costs incurred by the state, your Committee concurs with the intent and purpose of the resolution that the financial burden be shared between the state and the federal government.

Your Committee feels, however, that the resolution would be more effective if addressed to the President of the United States, the Vice-President of the United States, the Speaker of the United States House of Representatives, and the honorable members of the Hawaii delegation to Congress since the resolution requests an authorization for use of federal funds which must first be accomplished by Congress prior to implementation of the program through a federal agency, such as the Department of Defense. This change has been incorporated into the attached **H. R. No. 232, H. D. 1**, and the title has similarly been amended to eliminate any reference to the Department of Defense.

Your Committee is in accord with the intent and purpose of **H. R. No. 232** as amended and recommends its adoption in the form attached hereto as **H. R. No. 232, H. D. 1**.

Signed by all members of the Committee.

SCRep. 393-70 Judiciary on H. B. No. 1601-70

The purpose of this bill is to extend dower and courtesy interests in real property to leasehold interests so long as 15 years of the term of the lease remain unexpired. Presently, a husband or wife is entitled to one-third part of all property owned by the predeceased spouse during the marriage in fee simple or in freehold only, which represents the common law concept whereby dower and courtesy rights obtain only as to property interests which either spouse owned during the marriage in fee.

In Hawaii, where it is not uncommon for property to be "owned" in leasehold, it is considered by your Committee to be

in the best interests of the community to allow the survivor among them to assert his or her dower or courtesy interest therein, provided 15 years of the term of the lease remain unexpired. Particularly where there are young children involved, such a provision would perpetuate in part the benefits of such property to the survivor and the minor children residing with such surviving spouse.

Otherwise, the bill leaves unaffected the election prerogative of the surviving spouse or any other feature of the present law.

Your Committee is in accord with the intent and purpose of **H. B. No. 1601-70** and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 394-70 Judiciary on H. B. No. 1571-70

The purpose of this bill is to authorize a police officer to issue a citation in any situation in which he is justified in making an arrest, in lieu thereof, provided that (1) the offense is a misdemeanor, (2) the suspect is able to satisfactorily identify himself, (3) the release of the suspect would not endanger the public safety, and (4) the suspect has signed the citation. The bill also authorizes a magistrate to cause the issuance of such a citation in lieu of issuing a warrant for the arrest of a person accused of having committed a misdemeanor.

The bill further provides for the procedure for issuing such citations; it requires the prosecuting attorney or other person authorized by law to issue a complaint for the particular offense to do so at least 24 hours before the time set for the person to appear, or to notify him that the same has been refused and that he is released from his obligation to appear; and it states that any person who disregards the citation to appear in court is guilty of a misdemeanor. Furthermore, the bill makes it clear that nothing therein contained shall not authorize the taking into custody of a per-

son who theretofore could not have been taken into custody. And, finally, the bill amends section 708-6, relating to procedures upon arrest to include requiring the arrested person to accept the citation, or for his refusal to require him to submit and to be taken to the police station or before a magistrate.

Your Committee received testimony from the Honolulu Police Department that it is opposed to the bill because it provides for discretionary authority to individual police officers in determining whether to issue a citation or to take physical custody of a person arrested, which "could result in questions relating to the constitutional requirement that all persons be accorded equal treatment under the law." Your Committee, however, feels that this position misses the point. The point is that the bill is designed to achieve a purpose of reducing the inconvenience to citizens occasioned by misdemeanor arrests and reduces thereby the amount of time involved in police booking procedures, thereby freeing police officers to undertake other and more pressing duties. These factors, your Committee feels, far outweigh the possibility that occasional indiscretions which may ensue; and your Committee does not believe that the latitude of discretion between whether to arrest or not to arrest in the face of conduct constituting a misdemeanor committed in the officer's presence, which is within his province by virtue of his office, is any greater, and if anything is lesser, than the latitude of discretion authorizing him to issue a citation in lieu of physical detention, having determined that the conduct of the person committing an act in his presence constitutes a misdemeanor in the first instance.

Your Committee is satisfied that the police departments of the various counties in this State are among the finest in the country. It is an accepted fact that police officers are so thoroughly screened, so comprehensively trained, and so sufficiently indoctrinated under proper guidance of experienced superiors before being allowed to exercise their own individual discretions, that your Committee feels confident they are capable of the

degree of professional judgment necessary to carry out the purpose of the proposed law.

There are situations, no doubt, in which a police officer will obviously detain a misdemeanor and take him into custody, as for example, at the one extreme, the one involving a transient unknown to him who initiates and engages, in a public place, in an assault, battery, or affray, having concealed on his person a switchblade knife. On the other hand, and at the other extreme, there are situations which will arise in which a police officer will no doubt not undertake to arrest and book a violator, as for example, the one in which he witnesses a litter law violation by a person to him known and to be a long-standing resident, in consequence of which there will be issued, instead, a citation therefor (if, indeed, under the present status of the law, any consequence would befall the malefactor who, because of the complications accompanying arrest procedure, may be only admonished, only to disregard such law again). Within the various other and intermediate gradations of criminal conduct with reference to which the individual officer will be required to exercise his discretion, your Committee is, as hereinabove stated, confident that our police officers are capable of rendering judgments, which, if not initially, will in immediate order reflect a community standard within which the objection that "questions related to the constitutional requirement that all persons be accorded equal treatment under the law" will be resolved.

Your Committee amended this bill by providing for the situation in which a police officer seeking to issue a citation as provided hereby is faced with a misdemeanor who will not cooperate: Such a party, upon his refusal to sign and accept the citation shall be required to submit to an arrest whether the officer effects the same with or without a warrant.

Your Committee further converted section 2 of the bill amending section 708-6 in strict conformity with House Rule 24(2).

Your Committee is in accord with the

intent and purpose of **H. B. No. 1571-70** as amended in the form attached hereto as **H. B. No. 1571-70, H. D. 1**, and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 395-70 Finance on H. B. No. 1754-70

The purpose of this bill is to grant to totally disabled persons exemptions similar to what is presently granted to blind persons. Under our present laws, a blind person has an exemption of \$5,000 for income tax purposes and an exemption of \$15,000 for real property tax purposes. The granting of this exemption will create an incentive to disabled persons to attain their rightful places in economic and social life.

“Persons totally disabled” is defined as a person who has:

- (1) lost or is born without both feet at or before the ankle;
- (2) lost or is born without both hands at or above the wrist;
- (3) lost or is born without one hand and one foot;
- (4) an injury or defect resulting in permanent and complete paralysis of both legs or both arms or one leg and one arm;
- (5) an injury or defect resulting in incurable imbecility or insanity.

This definition is patterned after the definition of “permanent total disability” in the Workmen’s Compensation Law.

Your Committee has amended this bill by granting the above exemptions to deaf persons as well. Your Committee feels that a deaf person fares much of the hardship experienced by the blind and can benefit from the incentive resulting from the exemptions herein. “Deaf” is defined as a person whose average loss of speech (500-1000 Hz) in the better ear is 82 decibels, A.S.A., or worse. This definition

is accepted by the Academy of Ophthalmology and Otolaryngology of the American Medical Association, the Veterans Administration and the American Speech and Hearing Association.

The loss in revenue under the income tax law is estimated at \$180,000 and the loss under the real property tax is estimated at \$120,000.

Your Committee is in accord with the intent and purpose of **H. B. No. 1754-70**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 1754-70, H. D. 1**, and that it be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 396-70 Finance on H. B. No. 657

The purpose of this bill is to appropriate the sum of \$1,178,310.94 to reimburse the City and County of Honolulu under the provision of Section 70-111, Hawaii Revised Statutes, for the cost of general and sewer improvements advanced by the City and County for certain public and exempt lands within the various improvement districts of the City and County of Honolulu.

Your Committee has amended this bill by providing for the issuance of general obligation bonds for the purpose of this bill. The reference to the Revised Laws of Hawaii has been deleted in the title and section 1 of this bill.

Your Committee is in accord with the intent and purpose of **H. B. No. 657**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 657, H. D. 1**, and that it be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 397-70 Finance on H. B. No. 1938-70

The purpose of this bill is to amend the

chapter on deposits of public funds in banks by permitting the deposit of State funds in trust companies doing business under the laws of the State or in savings and loan associations insured by the Federal Savings and Loan Insurance Corporation (FSLIC).

Such deposits shall be subject to the same conditions as are required of deposits of State moneys in banks. Section 38-2, Hawaii Revised Statutes, requires certain securities to be deposited with the director of finance for the protection of funds deposited under the provision of this chapter. With these measures available to the State, your Committee feels that deposit of State funds in trust companies doing business in Hawaii and in savings and loan association insured by the FSLIC is warranted.

Your Committee is in accord with the intent and purpose of **H. B. No. 1938-70** and recommends its passage on second reading and that it thereafter be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 398-70 Finance on H. B. No. 1602-70

The purpose of this bill is to appropriate sums of money out of the general revenues of the State to compensate persons under the Criminal Injuries Compensation Act.

Your Committee has examined and approved all the recommendations of the Criminal Injuries Compensation Commission.

Your Committee has amended the bill by:

(1) including under Section 1 only those persons who are to be awarded compensation in one lump sum payment. For these cases, the Comptroller will issue warrants upon vouchers approved by the Director of Budget and Finance.

(2) adding a new section which includes those persons who are to be awarded com-

penation in periodic payments or upon reaching the age of majority. For these cases, the Department of Social Services will be responsible for administering and disbursing the appropriated funds in accordance with the recommendations by the Criminal Injuries Compensation Commission.

(3) adding a new section which provides that authorized funds which are unencumbered and unexpended at the close of any fiscal year shall not lapse and shall not be used for any other purpose.

(4) renumbering Sections 3 and 4 to Sections 5 and 6 respectively.

Your Committee feels that the above amendments are necessary to facilitate immediate as well as periodic payment or payment at a later date.

Your Committee is in accord with the intent and purpose of **H. B. No. 1602-70**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 1602-70, H. D. 1**, and that it thereafter be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 399-70 Finance on H. B. No. 659

The purpose of this bill is to set up a program for the licensing of nursing home administrators in conformity with the Social Security Amendments of 1967, and to appropriate money out of the general revenues of the State to the Department of Regulatory Agencies for the implementation of this program.

The Social Security Amendments of 1967 require states participating in the Medicaid Assistance Program to have in effect a program for licensing nursing home administrators by July 1, 1970. Failure to implement this program would mean a loss to the State of Federal assistance of approximately \$14 million under the Medicaid Program operated by the Department of Social Services.

To meet the Federal requirements of licensing nursing home administrators, the Regular Session of 1969 passed Act 160. Under this Act, the Department of Health was given the licensing responsibility. Your Committee has been informed by the Governor's Office that this program for licensing does not meet the Federal requirements.

This bill, which establishes a board of examiners to administer, license, register, and regulate nursing home administrators, will conform State law with Federal requirements.

Your Committee has amended the bill by:

(1) rewriting and simplifying the detailed provisions.

(2) changing the composition of the board of examiners from 9 members to 7; and the nursing home administrators appointed to the board from 4 to 2.

(3) stipulating that the board members shall serve four-year terms instead of three-year terms, and that appointments shall not be for more than two full consecutive terms.

(4) eliminating the section on qualifications for admission to examination since the bill earlier states that the board shall develop, impose, and enforce standards to insure that nursing home administrators are of good character and are otherwise suitable, and who, by training or experience in the field of institutional administration, are qualified to serve as nursing home administrators.

(5) setting the fine for violation of this Act at \$500 for a first offense, and a fine of not more than \$1,000 or no more than one-year imprisonment or both for subsequent offenses.

Your Committee is in accord with the intent and purpose of **H. B. No. 659, H. D. 2**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 659, H. D. 3**, and that it thereafter be placed on the

calendar for third reading.

Signed by all members of the Committee.

SCRep. 400-70 Finance on H. B. No. 65

The purpose of this bill is to make an appropriation to assist the City and County of Honolulu in implementing a system of mass transportation.

Your Committee has amended this bill by including a section on legislative findings and requiring that the City implement the system of mass transportation in coordination with the State Comprehensive Transportation Activity. Five hundred thousand dollars in general obligation bond funds are appropriated to the purpose of this Act.

Your Committee is in accord with the intent and purpose of **H. B. No. 65, H. D. 1**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 65, H. D. 2**, and that it thereafter be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 401-70 Finance on H. B. No. 1829-70

The purpose of this bill is to establish a comprehensive system for State program and financial management which furthers the capacity of the governor and the legislature to plan, program and finance the programs of the State.

THE ORIGINS OF BUDGET REFORM

For several years, the legislature as well the executive have studied the various ways for establishing an improved budget system. The budget system which the State has today dates from the year of statehood, and its inadequacies have been increasingly recognized by both the administration and the legislature. With its emphasis on organizations, functions and work statistics, the current budget system tells little about the results or conditions that

government should seek to attain, the means by which the ends may be achieved, and the amount and kinds of resources required to accomplish these ends. There is, moreover, no systematic process for determining the effectiveness of government programs, and hence, no way to determine whether government resources are being put to their most efficient and effective use.

Both the executive and the legislature have seen the potential in the approach which emphasizes the planning function in budgeting, or the Planning-Programming-Budgeting (PPB) approach. Under this approach, budgeting is linked to planning, not any kind of "planning," but planning of the type which entails formulation of objectives and the systematic analysis of alternatives through which the objectives may be attained.

PPB was first introduced in government in the United States Department of Defense. The approach has since been applied in other agencies of the federal government, and in 1968, it was reported that PPB was being implemented in some form or the other in 28 states. In Hawaii, the PPB approach was implemented by legislative mandate in the Department of Education in 1967, and the other agencies of the State government have been engaged for over two years in the preparation of department comprehensive plans as part of the executive branch's program for PPB development.

These thrusts in the direction of improving the planning and budgeting system were recognized in the 1968 Constitutional Convention, which removed all prescriptions pertaining to the form of the budget and placed that decision in the hands of the legislature. At the same time, the 1968 convention decided that there should be a return to biennial budgeting and biennial appropriations for the reason, among others, that planning would be improved "by enforcing a longer range view of governmental programs."

These developments — the increasing recognition of the inadequacies of the State's budget system, the experience with

PPB in other jurisdictions and the experiments in this State, the responsibility of the legislature to define a budget format, and the imminent commencement of a biennial budget and appropriations cycle — persuaded the 1969 regular session of the legislature to request the establishment of a budget system which would accommodate all of these aspects.

The task to formulate the new system was assigned to the joint interim committee on budget format and review. In **Special Committee Report No. 2**, the joint interim committee has reported to this session of the legislature of the work which it accomplished. It developed a new format through which budgeting, planning and program performance information would be reported; it recommended the essentials of a system to support the format; and it proposed legislation to formalize the entire system.

The bill which your Committee has considered may be viewed then as the immediate result of the work of the joint interim committee. However, it should also be viewed as a landmark in the development of State government. It represents the culmination of a series of actions and commitments of the legislature and the executive towards the type of budget reform which would make possible improved decisions on public policies and government programs. While the real test of the success of budget reform awaits the full implementation of the system, that test cannot be made without a beginning. Like the joint interim committee, your Committee recommends that the time to begin is now.

PRINCIPAL FEATURES OF THE NEW SYSTEM

The bill establishes a comprehensive Planning-Programming-Budgeting System (PPBS) for State program and financial management which is designed to further the capacity of both the governor and the legislature to plan, program and finance the programs of the State. When fully implemented, this system will make possible the following:

- * The orderly establishment, continuing

review and periodic revision of the State program and financial policies and objectives.

* The development, coordination and review of long-range program and financial plans that will implement established State objectives and policies.

* The preparation, coordination and analysis, and enactment of a budget organized to focus on State programs and their full costs.

* The evaluation of alternatives to existing objectives, policies, plans and procedures that offer potential for more efficient and effective use of the State resources.

* The regular appraisal and reporting of program performance.

There are three formal products of the system which are to be submitted to the legislature for the exercise of its decision-making and review responsibilities: (1) The Six-Year Program and Financial Plan; (2) The Executive Budget; and (3) The Variance Report. Their general contents are summarized below.

* **The Six-Year Program and Financial Plan**, to be annually and continually updated, shall include:

(1) The State program structure, a display of programs which are grouped in accordance with the objectives to be achieved.

(2) Statements of statewide objectives and program objectives.

(3) Program plans which describe the programs recommended to implement the statewide and program objectives and the manner in which the recommended programs are to be implemented over the next six fiscal years.

(4) A financial plan which shows the fiscal implications of the recommended programs for the next six fiscal years.

* **The Executive Budget**, to be submitted in every odd-numbered year, shall include:

(1) The State program structure.

(2) Statements of statewide objectives and program objectives.

(3) The financial requirements for the next two fiscal years to carry out the recommended programs.

(4) A summary of State receipts and revenues in the last completed fiscal year, a revised estimate for the fiscal year in progress, and an estimate for the succeeding biennium.

* **The Variance Report**, to be submitted annually, shall identify and explain variances in actual program performance from planned program performance.

COMPARISON OF THE CURRENT SYSTEM WITH THE NEW SYSTEM

The changes which will be brought about by the new system may be seen in perspective by comparing it with the current system.

Major Focus. The current system focuses upon organizations and the functions of organizations. The new system focuses upon programs, grouped under the objectives the programs serve, regardless of their placement in the State or agency organizational structure.

Costs. The current system separates operating costs from capital improvement costs. The new system calls for the identification of the full costs of each program.

Objectives. The current system does not require statements of the end results desired. The new system calls for the explicit statements of the end results, products, or condition desired, for the accomplishment of which a course of action is to be taken.

Effectiveness. The current system does not require the measurement of effectiveness. Where measurements are used, they measure the work performed rather than program effectiveness. The new system requires the establishment of criteria for measuring the degree to which the objec-

tive sought is attained.

Time Frame. The current system program capital improvement requirements for a six-year period and operating requirements for only the forthcoming fiscal year. The new system requires the programming of long-range program and financial plans for a six-year period and the specification of the programs which are to be implemented during the period, how and when they are to be implemented, and the full costs of implementation.

Analysis. The current system is devoid of any systematic analysis of programs. It is limited to the presentation of "justifications," which rationalize the continuance or pursuit of a particular course of action. The new system requires systematic analysis of the costs, benefits and effectiveness of program alternatives in pursuit of the objectives to be attained.

Program Performance. The current system does not provide a basis for the evaluation of program performance. Program evaluation reports prepared by the agencies of State government serve primarily as justifications for budget requests. The new system places the evaluation of program performance on a systematic basis by requiring the periodic submission of a variance report which compares actual performance with planned performance and identifies and explains variances in expenditures, program size and levels of effectiveness.

CLARIFICATIONS OF THE BILL

Hearings were conducted on the bill, and in oral and written testimony presented by the agencies of State government, no agency disagreed with the intent and purpose of the bill. All concurred with the desirability of establishing a comprehensive planning and budgeting system following PPB concepts. However, certain concerns were expressed by some departments with respect to specific aspects of this bill. These concerns arise from a misunderstanding of particulars in the bill, which a closer reading should clarify. Specifically, the following should be noted as points of clarification.

Program Size and Program Size Indicators. There was some concern that program size and program size indicators would have to be established at every level of the program structure and that this would be a difficult task. The bill does *not* establish any such requirement. It requires only that program size indicators and program size be established for programs at the *lowest* level of the program structure.

Program Effectiveness. There was concern that the development of effectiveness measures for every level of the program structure would be difficult, albeit a desirable goal in PPBS implementation. The point was made that effectiveness measures cannot be "added up" at the higher levels in the same way that dollars can. The bill calls for the development of effectiveness measures at every level of the program structure but does *not* view effectiveness measures as the "adding up" of measures established for the lower levels. The lack of understanding with respect to higher level effectiveness measures stems from the fact that there has been no requirement to date for the agencies to develop *objectives* for the higher level programs. The concept of effectiveness centers on the identification of criteria which can be used to evaluate performance against *objectives*. Hence, the problem of selecting the appropriate effectiveness criteria at every level is dependent upon the problem of specifying objectives correctly at every level. With the accomplishment of the latter, the former could then be established.

Program Changes. The criticism was expressed that the proposed budget format does not indicate to the legislature the cost of continuing a program as presently authorized and the cost of program changes being proposed and that the current concepts of "workload increase" and "program expansion" should be retained. This issue was thoroughly examined by the joint interim committee on budget format and review. For the very reason expressed by the Department of Budget and Finance in the hearings that the distinction between workload increases and program expansion has been in some instances arbitrary,

and for the reason that the concepts of "current services," "workload," "expansion," "current program" and "recommended program" have caused considerable confusion in legislative budget review, the committee proposed a more meaningful comparison between the estimated program expenditures of the current biennium with the funds requested for the budget biennium. The bill provides that in comparing program cost changes between the two bienniums, precise reasons for differences be identified, including whether the changes are due to salary adjustments to existing positions of personnel, the addition or deletion of positions, changes in the number of persons being served or to be served by the program changes in the program implementation schedule, changes in the actual or planned level of program effectiveness, increases due to the establishment of a program not previously included in the State's program structure, decreases due to the phasing out of a program previously included in the State's program structure, and/or changes in the purchase price of goods or services. It is the intent of this bill that the identification of program cost changes be presented in summary, tabular form in the Executive Budget, in much the same fashion as was presented in the joint interim committee's sample budget format, and that more detailed explanations for program cost changes would appear in the Six-Year Program and Financial Plan.

Programs Which Cut Across Organizational Lines. The concern was expressed that with programs which cut across organizational lines, there needs to be clear indication of which person has the authority and responsibility for managing such programs. The bill does not address itself to the issue of *management* of programs involving more than one agency. It is expected, however, that the coordination and preparation of information required of multi-agency programs for the budget, program and financial plan, and the variance report can be handled administratively through inter-agency coordination and cooperation or through the administrative assignment of responsibility to a lead agency.

GUIDELINES FOR IMPLEMENTATION

Your Committee has determined that the following guidelines should be established to implement the intent and purpose of the bill:

The State Program Structure. Under PPBS, a program structure is the arrangement and grouping of governmental programs into objective-oriented classification so that programs with common objectives may be considered together. Each program is placed in the program structure under the objectives to which it primarily contributes and it is placed without regard to its formal organizational placement. The major purpose of the program structure is to make possible better analysis of governmental programs by organizing cost, program size, and effectiveness information so as to include all areas relevant to a problem. The State program structure developed by the administration, the latest of which is date September 30, 1969, is deficient in several respects: (1) many of the "programs" identified in the program structure are actually the existing functions and budget categories of the departments rather than programs in the PPBS sense of representing a combination of resources and activities designed to achieve an objective or objectives; (2) the upper levels of the program structure are occupied by non-operational goals, thus forcing meaningful subcategories of programs off the structure (e.g., agriculture appears at the fourth level in the State program structure, and there would be no place for the program subcategories which appear in the program structure developed by the Agricultural Coordinating Committee for the agricultural development plan); (3) there are incongruities in the placement of programs at the same level in the program structure (e.g., the entire agriculture program is at the same level as three forestry programs: forest development, forest protection and maintenance, and forest research). Your Committee has determined that it is necessary to revise the program structure to overcome the deficiencies noted and that, in doing so, the administration carefully consider the following:

* Determine the appropriate number of levels to be included in the program structure. To avoid cluttering the program structure, there should ordinarily be no more than four levels. At the same time, the structure should descend to at least that level (the lowest level) which displays those programs or program subelements which are the simplest units of activities, each unit producing a specific identifiable result, about which resource allocation decisions are to be made by the governor and the legislature. For example, under agriculture, milk control and meat and poultry inspection would probably be placed at the lowest level of the program structure.

*Arrangement of the structure from the top down in accordance with some classification theme so that there will be meaningful grouping of programs and congruity at each level.

The development of an improved program structure should allay the concern expressed by the departments with respect to effectiveness measures. A properly designed structure will facilitate the selection of effectiveness criteria for programs at every level of the structure.

Analysis. As it is with the PPB approach generally, the crux of the new system is analysis, the systematic examination of alternative courses of action for meeting government objectives. The new system is designed to induce analysis not just any kind of analysis, but analysis of a particular type. The basic elements of analysis to be performed under the new system shall include the following:

- * A clear definition of the problem.
- * Identification of the governmental objectives or end results to be sought.
- * Selection of criteria or measures of effectiveness which will permit estimation of the progress made toward attaining the ends being sought.
- * Identification and description of the key features of the alternatives available to attain the ends.

* Determination of the full cost implications of each alternative.

* Identification of the major uncertainties involved in cost and effectiveness estimation and the quantification of those uncertainties to the extent possible.

* Identification of the major assumptions made so as to spell out the degrees to which effectiveness or cost may be sensitive to these assumptions.

* Identification of the major cost and benefit trade-offs among the alternatives.

* Documentation of the findings to permit others to understand and evaluate what has been done.

Your Committee expects the Department of Budget and Finance to furnish additional guidance to the departments for the performance of analysis, including such matters as the appropriate interest rate at which future cost and benefit streams are to be discounted to their present value.

Issues and Issue Papers. It is anticipated that as the new system is implemented, program issues will emerge not all of which can be subjected immediately to the type of detailed and systematic analysis previously outlined. Where analysis cannot be conducted, either because of the absence of immediate staff capability or because of insufficient time, the issue should still be presented in the form of an issue paper. The purpose of the issue paper is to identify and describe the major features of a significant problem facing the government. It considers and suggests alternatives to solve the problem, but it does not examine the cost and effectiveness of each alternative. The issue paper may either stand by itself to provide an improved perspective of the problem or it may be used by the executives of State government and the legislature as the basis for requesting a full, in-depth analysis of the problem. Each issue paper shall include the following elements:

- * A definition of the problem, including its probable causes, its magnitude and

probable duration, and the specific population affected.

* Identification of the objectives to which programs for meeting the problem should be directed and the effectiveness measures which can be used to estimate the progress against these objectives.

* Identification of the agencies of government involved in attempting to meet the problem, the specific activities being undertaken, their costs, and their effectiveness.

* Discussion of significant factors and constraints which bear on the problem.

* Description of the major characteristics of alternative programs or activities which should be considered to meet the problem.

* Recommendation as to what the next step should be in dealing with the problem.

CHANGES TO THE BILL

No changes have been made which affect the original intent and purpose of any portion of the bill. Such changes as have been made are technical changes for the purpose of clarification. The changes are:

* In Section 6(c), the phrase, "Adopt such other legislation as necessary to implement the State program and financial plan.", has been amended to read, "Adopt such other legislation as necessary to implement State programs.", as a point of clarification of the responsibilities of the legislature.

* In Section 12, the clause, "The legislature shall . . . determine the State's program and financial plan and budget.", has been amended to read, "The legislature shall . . . adopt programs and determine the State budget.", as a point of clarification of the elements of legislative review.

* In Section 18, the clause, "chapter 37, Hawaii Revised Statutes, is hereby expressly repealed.", has been amended

to read, "part I of chapter 37, Hawaii Revised Statutes, is hereby expressly repealed.", as a point of clarification as to the specific part to be superseded by this bill.

IMPLEMENTATION SCHEDULE

The bill provides that at the regular session of 1971, the governor shall present his proposed State budget for the 1971-1973 fiscal biennium in two forms, one as currently provided in Chapter 37, Hawaii Revised Statutes, and another as prescribed in the bill, as well as the six-year program and financial plan. Your Committee is aware that time constraints may preclude all programs of the State to be brought under the new system by the time of budget submission for the first biennium. Therefore, your Committee has determined that as a minimum, the following programs are to be covered by the implementation requirements of the bill for 1971:

* **State information services**, including the activities of the statewide information system, financial and accounting control and reporting, and other data collection and reporting activities.

* **Environmental quality control**, including the activities pertaining to the repair, protection, enhancement and enforcement of the standards and quality of inland and offshore waters, the land, the air, the man's relationship to his environment.

At the regular session of 1972, the updated six-year program and financial plan as applicable to the above programs shall be presented, and as prescribed in the bill, the variance report shall be presented as applicable to the above programs for fiscal year 1971-1972. In addition to the programs identified in this section, the six-year program and financial plan shall include other programs.

The programs which have already undergone or are now undergoing intensive special PPB development shall also conform to all of the requirements of the bill beginning with the implementation requirements for 1971. These programs include the programs of Education (as specified

in the Special Committee Report No. 3 submitted to the 1970 legislature by the joint Senate-House interim committee on education), Agriculture, and Public Welfare.

Full implementation of the new system will be in force for the 1973-75 biennium. At the regular session of 1973, and thereafter, the governor shall present the proposed State budget and the six-year program and financial plan as prescribed in the bill. The implementation requirements for the variance report shall apply to all State programs beginning with the report for fiscal year 1973-74.

The contents of documents submitted shall be as required by the bill, and they shall be displayed in a format substantially in conformance with the format developed by the joint interim committee on budget format and review.

The following implementation schedule shall also be in force to insure an effective transition to the new system:

The period between the 1970 and 1971 sessions

* The submission by the Department of Budget and Finance to the appropriate legislative interim committee of such progress reports as the committee may request.

Not less than 30 days before the legislature convenes for the 1971 regular session

* The submission by the administration to the legislature of a report of such recommendations as the administration may determine to be appropriate to improve the new system.

Not less than 20 days before the legislature convenes for the 1971 regular session

* The submission by the Department of Budget and Finance to the legislature of the State program structure, revised in accordance with the guidelines contained in this report and including statements of objects for each program at every level of the structure.

* The submission by the Department of

Budget and Finance to the legislature of such analysis as may have been performed and the submission of issue papers.

Not less than 20 days before the legislature convenes for the 1972 regular session

* The submission by the Department of Budget and Finance to the legislature of the State program structure further developed to include measures of effectiveness for each program at every level of the program structure.

RECOMMENDATIONS

Your Committee recommends that a joint interim committee be appointed for the period between the end of the 1970 regular session and the beginning of the 1971 regular session. The committee's tasks shall include the following: (1) furnish such guidance as the committee may determine to be appropriate for effective implementation of the new system in accordance with the provisions of the bill and the guidelines set forth in this report; (2) determine and recommend an effective process for legislative review of the budget, the program and financial plan, and program performance; and (3) consider such other information related to budget presentation as may be required of the agencies of State government and the format through which such information is to be presented. Technical assistance is to be provided by the Legislative Auditor.

Your Committee is in accord with the intent and purpose of **H. B. No. 1829-70**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 1829-70, H. D. 1**, and that it thereafter be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 402-70 Finance on H. B. No. 1546-70

The purpose of this bill is to remove the statutory limit on the amount of petty cash funds that the State Comptroller may issue to the Department of Education.

The present \$5,000 limitation was set in 1943 for all State agencies and has not been changed since that time, except in 1969, when the University of Hawaii was exempted entirely from the provisions of Section 40-84, Hawaii Revised Statutes.

This amendment will eliminate the need for further amendment in the future due to growth and changing requirements of expenditures by the Department. The organization of the Department of Education with some 216 schools throughout the State makes a petty cash fund of only \$5,000 most inadequate. Removal of the \$5,000 ceiling would expedite payments to vendors for small amounts and also cut down on the number of warrants and warrant vouchers that need to be issued.

Your Committee has amended the bill to conform to House Rule 24(2).

Your Committee is in accord with the intent and purpose of **H. B. No. 1546-70, H. D. 1**, as amended herein, and recommends its passage on third reading in the form attached hereto as **H. B. No. 1546-70, H. D. 2**.

Signed by all members of the Committee.

SCRep. 403-70 Finance on **H. B. No. 1380-70**

The purpose of this bill is to empower the Department of Social Services to establish, maintain, and operate intermediate care facilities and care homes for medical indigents, and to enter into contracts with private corporations for the maintenance and operation of such facilities. The bill makes an appropriation of \$280,000 for the planning of such facilities.

Presently, there are as many as 200 patients in Hawaii State Hospital and Waimano Training School and Hospital, and many patients in other skilled nursing facilities who could be discharged to intermediate care facilities and care homes if such were available. Also, skilled nursing facilities are severely overcrowded because of the lack of these intermediate care facilities. As a result, patients are kept

in hospitals longer than necessary, and there is a substantially higher cost. As pointed out in the **Audit of the Medical Assistance Program of the State of Hawaii** conducted by Greenleigh Associates, Inc., the medical costs to the State for providing care to indigents could be substantially reduced if intermediate care facilities and care homes were available.

Your Committee has amended this bill by making the Department of Accounting and General Services the expending agency.

Your Committee is in accord with the intent and purpose of **H. B. No. 1380-70, H. D. 1**, as amended herein, and recommends its passage on third reading in the form attached hereto as **H. B. No. 1380-70, H. D. 2**.

Signed by all members of the Committee.

SCRep. 404-70 Government Efficiency and Public Employment on **H. B. No. 1304-70**

The purpose of this bill is to allow patient employees at Hansen's Disease Hospitals to use services with any state department or agency not exceeding 5 years, which has not been credited under the State retirement system in lieu of service with the Department of Health to satisfy the requirements of allowing patient employees to retire after 20 years or more of service with the Department of Health. However, before such service with other agencies is accepted, authentication by official records is required.

Your Committee has also amended the bill by eliminating that provision relating to patient employees having less than 20 years of service with the Department of Health could receive a pension reduced proportionately. The provision was eliminated since it was felt that it is not necessary and is covered under other sections of the Hawaii Revised Statutes. Your Committee has also included the requirement of authentication of official records where service is purported to have been performed.

Your Committee has also amended the title of the bill to read as follows: "A BILL FOR AN ACT RELATING TO PENSIONS FOR PATIENT EMPLOYEES AT HOSPITALS FOR THE TREATMENT OF LEPROSY, ETC." Your Committee feels that this amendment was necessary in order to conform to the requirements of Section 1, Act 152, Session Laws of Hawaii, 1969 which calls for the deletion of the term "Hansen's disease" wherever it appears in the Hawaii Revised Statutes and substitution in lieu thereof the term "leprosy". For the same reason, line 6, page one of **H. B. No. 1304-70, H. D. 1** was amended to read: "persons affected with leprosy shall be entitled, upon".

Your Committee has converted the form of the bill to comply with House Rule 24(2).

Your Committee is in accord with the intent and purpose of **H. B. No. 1304-70, H. D. 1**, as amended herein, and recommends that it pass third reading in the form attached hereto as **H. B. No. 1304-70, H. D. 2**.

Signed by all members of the Committee.

SCRep. 405-70 Public Health, Youth and General Welfare on **H. B. No. 1291-70**

The purpose of the bill is to add a penalty provision to the water pollution law, allowing the Department of Health to enforce penalties for water pollution violations. Under this bill any person who willfully violates the water pollution law would be fined not more than \$500, each day of violation constituting a separate offense.

The bill would provide the necessary flexibility in dealing with polluters, allowing penalties to be assessed in accordance with the gravity of the offenses. On the one hand, it would provide the means to deal effectively with the larger polluters such as corporations. If there were a single fine of \$500 for a water polluter's offense, big corporations may find it less expensive to pay the fine or may employ delaying court techniques rather than construct water pollution control facilities to avoid future offenses. This problem can be

avoided by the provision in this bill making each day of violation a separate offense. On the other hand, this bill has the means to protect the lesser violator. Intent must be shown before a penalty can be imposed. If a penalty is found to be assessable, then the fine can be scaled down to fit the offense.

Your Committee has amended this bill in the following respects:

1. Change the title of the bill to read: "A BILL FOR AN ACT RELATING TO WATER POLLUTION." for style purposes. The original title of **H. B. No. 1291-70** reads: "A BILL FOR AN ACT RELATING TO WATER POLLUTION PENALTIES."

2. Include the following paragraph between lines 14 and 15 on page 4: "The director may apply to any court of competent jurisdiction to enjoin any violation of this section or any rule or regulation promulgated under this section." This paragraph was inadvertently omitted when this bill was converted to comply with House Rule 24(2).

Your Committee is in accord with the intent and purpose of **H. B. No. 1291-70, H. D. 1**, as amended herein, and recommends its passage on third reading in the form attached hereto as **H. B. No. 1291-70, H. D. 2**.

Signed by all members of the Committee.

SCRep. 406-70 Select Committee of Oahu Representatives on **H. B. No. 2103-70**

The purpose of this bill is to provide for multi-use of off-street parking facilities to include off-street parking, commercial, residential and other uses of spaces above or below off-street parking facilities.

Your Committee finds that off-street parking facilities, because of their locational characteristics and high cost factors, should be optimally developed for all such uses which serve the public interest.

Your Committee is in accord with the

intent and purpose of **H. B. No. 2103-70** and recommends its passage on second reading, and that it be referred to your Select Committee of Maui Representatives.

Signed by all members of the Committee.

SCRep. 407-70 Select Committee of Oahu Representatives on **H. B. No. 1817-70**

The purpose of this bill is to give effect to certain of the policies arrived at by the Civil Service directors of the State and the several Counties at their conference in Hilo relating to the elimination or correction of certain inequities and inconsistencies with respect to certain county positions exempt from civil service.

A new section has been added to Chapter 46, Hawaii Revised Statutes, which in large part restates the existing law affecting exempt county positions except for subsections (b) and (k). Subsection (b) excludes the heads of the offices of Information and Complaint and Budget Director from the position classification plan. Subsection (k) exempts from civil service the positions of first deputy and private secretaries to the heads of departments and their first deputies.

This bill has been amended by restating in its entirety all of the existing law affecting these exempt positions together with the changes which would give effect to the purpose of this bill.

Your Committee is in accord with the intent and purpose of **H. B. No. 1817-70** as amended in the form attached hereto as **H. B. No. 1817-70, H. D. 1**, and recommends its passage on second reading and its referral to your Committee on Government Efficiency and Public Employment.

Signed by all members of the Committee.

SCRep. 408-70 Agriculture on **H. B. No. 1367-70**

The purpose of this bill is to provide for a comprehensive control of all pes-

ticides used primarily for commercial agricultural purposes in the State by;

(1) Creating an advisory committee on pesticides;

(2) Requiring license or permit and record keeping for all commercial producers, custom applicators and pesticide dealers;

(3) Restricting the use of pesticides to official label directions and rules and regulations promulgated under the Act; and

(4) Providing education and assistance to users of pesticides.

Pesticides when properly used are safe, effective and extremely valuable to the economy of the State. However, the indiscriminate and improper use of pesticides could cause contamination or damage to plant, soil, domestic animal, poultry, wild fauna or flora. Mounting evidence indicates that misuse of pesticides is one of the contributing factors to environmental pollution.

Your Committee recognizes the need for a pesticide control program as is outlined in **H. B. No. 1367-70**. However, after a careful review of the intent of the bill, a hearing thereon, and lengthy discussions with representatives of the State agencies which would be primarily involved with implementing the program, your Committee has amended the bill in several particulars as follows:

(1) Amended Sec. 151-2(3) such that 'Division head' is deleted and 'chairman' is defined as chairman of the board of agriculture. Any reference to division head in the text of the bill has been deleted, and substituted by chairman, board, or department, as appropriate.

(2) Deleted Sec. 151-2(8) so that the terms "authorized use" or "authorized manner" could be defined in detail in rules and regulations promulgated pursuant to this chapter or in accordance with certain use of pesticides approved in writing by the State Department of Agriculture and State Department of Health.

(3) Amended Sec. 151-3 such that the advisory committee on pesticides would include, but not be limited to, the individuals, organizations, and interest groups listed in the bill to allow for additional representation on the committee should such action be deemed appropriate in the future.

(4) Amended Sec. 151-4(1) to allow for the definition of "authorized manner" to be accomplished as explained in paragraph (2) above.

(5) Amended Sec. 151-4(2) to define as an unlawful act "for any person to use, store, transport, or discard any pesticide or the containers of such pesticide in any manner which would contaminate or damage plant, soil, domestic animals, poultry, wild fauna or flora which he does not own or control".

(6) Amended Sec. 151-5 and 151-6 so that records of pesticide sales and use be retained for a period of time as specified by rules and regulations, rather than for a year from the date of sale or use.

(7) Amended Sec. 151-7 to include the following:

"(5) To define 'contaminate' in such terms and within such limitations so as to convey the intent of this chapter and to establish standards and guidelines which specify those conditions which constitute a state of contamination which is unlawful."

(8) Amended Sec. 151-13 to broaden the right of the department to enter property, examine, and inspect all types of pesticide application methods, equipment and records thereof rather than to restrict such regulatory inspections only to spray application operations.

(9) Amended Section 2 to include the sum of \$55,000 to be appropriated out of the general revenues of the State to be expended by the department of agriculture to carry out the purposes of this act. The chairman of the Board of Agriculture testified before your Committee that the anticipated cost for the implementation of the program under this bill for fiscal year

1970-71 is \$55,000. The cost for subsequent years is approximately \$71,000 annually.

Several additional amendments which only slightly change the punctuation or phraseology to clarify but not alter the intent or purpose of the bill have also been incorporated.

Your Committee wishes to emphasize that the intent of this bill is not to unduly restrain the use of pesticides, but rather to provide a means to control such use of pesticides as may be damaging, harmful, or otherwise injurious to the interests of others or the community. The preservation of the intent of this bill in its implementation depends primarily upon the interpretation of Sections 151-4(2) and 151-7, particularly in the application of the word "contaminate". Therefore your Committee wishes to clarify its intent that for the purpose of this chapter, "contaminate" connotes the act of rendering something inferior or impure as a result of mixture or contact with a pesticide.

Your Committee recognizes, however, that the fact that such mixture or contact has occurred does not necessarily render an item unfit and unsafe, or otherwise injurious or harmful to a person or the public.

To determine unlawful contamination therefore requires both detection of such mixture or contact and an evaluation of the characteristics of the pesticide concerned. Characteristics such as chemical constitution, concentration, and residual effect as well as quantity of the contaminant are critical variables to be considered. It is your Committee's intent that the board in adopting and applying rules and regulations pursuant to this chapter recognize and distinguish between contamination in its most general sense, and a state of contamination which does or will in fact pose a threat to public health and safety.

Your Committee on Agriculture is in accord with the intent and purpose of **H. B. No. 1367-70** as amended herein and recommends its referral to your Committee on Finance in the form attached hereto as **H. B. No. 1367-70, H. D. 1.** for further

consideration.

Signed by all members of the Committee except Representatives Oshiro and Ajifu.

SCRep. 409-70 Federal-State-County on **H. B. No. 451**

The purpose of this bill is to amend the urban renewal law, chapter 53, Hawaii Revised Statutes, to provide for the direct appointment by the mayor of the county of the manager and the deputy manager of the county redevelopment agency.

Your Committee finds that the urban renewal law cannot be effectively administered and coordinated with federal housing and urban renewal programs by means of a redevelopment agency which is independent of both the executive and legislative branches of the county. Under the present law the manager and the deputy manager of the county redevelopment agency are appointed by the redevelopment agency. This bill amends the law to make the manager and the deputy manager of the redevelopment agency appointees of the chief executive of the county.

Your Committee is in accord with the intent and purpose of **H. B. No. 451** and recommends its passage on second reading in the form attached hereto as **H. B. No. 451, H. D. 1**, and that it be referred to your Committee on Government Efficiency and Public Employment.

Signed by all members of the Committee.

SCRep. 410-70 (Majority) Government Efficiency and Public Employment on **H. B. No. 1883-70**

The purpose of this bill is to provide benefits to those public officers and employees who have accumulated and unused sick leave and who qualify for retirement under the Employees Retirement System of the State of Hawaii.

The bill originally provided that accumulated and unused sick leave shall be used to compute the years of service for the purposes of Chapter 88. For each

day of accumulated and unused sick leave, one-quarter of a work day shall be credited for the purposes of computing years of service. The computation was to be applicable to all employees who qualify for pension and retirement under Chapter 88.

Your Committee has amended the provisions of this bill to allow one day of credit for each day of accumulated and unused sick leave for the purposes of computing years of service.

It is the intent of this bill to discourage government employees from abusing the privileges as it relates to accumulated and unused sick leave for which they presently do not receive any benefits. It is your Committee's belief that the provisions of this bill will curb abuses as it relates to sick leave. Additionally, by crediting sick leave to retirement benefits, the State would provide benefits to those employees who are conscientious and do not abuse their sick leave privileges. Further, the bill if it is able to curb abuse on the use of sick leave, would save the State a substantial sum of money, since when an employee uses his sick leave he is granted full pay. Under the provisions of this bill, by crediting accumulated and unused sick leave to years of service for retirement purposes the cost factor would be substantially lower, as compared to where an individual uses his sick leave credit on an unjustifiable basis.

Your Committee is in accord with the intent and purpose of **H. B. 1883-70**, as amended herein, and recommends its passage on second reading and that it be referred to your Committee on Finance in the form attached hereto as **H. B. 1883-70, H. D. 1**.

Signed by all members of the Committee. Representatives Devereux and Meyer did not concur.

SCRep. 411-70 Government Efficiency and Public Employment on **H. R. No. 165**

The purpose of **H. R. No. 165** is to request the Board of Trustees of the Hawaii Public Employees Health Fund to allow retired public employees the opportunity to enroll in the Health Benefits Plan

even if they were not enrolled in the program for two years prior to their retirement.

Section 87-6, Hawaii Revised Statutes enables retired public employees to participate in the Health Benefits Plan without making any contribution to the fund. However, current rules and regulations of the Board of Trustees make retired public employees ineligible to participate in the program if they were not enrolled in the program for two years prior to their retirement.

Many active employees are not aware of this stringent item in the rules and regulations of the Board of Trustees. Therefore, many discover, at the time of retirement, that they are not eligible to participate in the program after retirement because they do not meet the two-year participation requirement. A waiver of this requirement by the Board will prove most helpful to the retired public employee since, after retirement, they must contend with the rising cost of living, including medical expenses, with a limited retirement income.

Your Committee, however, feels that the duration of the open period for enrollment in the Health Benefits Plan should be a matter to be determined by the Board of Trustees, rather than being fixed by legislation. Accordingly, your Committee has amended **H. R. No. 165** by deleting the words "SIX MONTH" from the title of the resolution and, also, by deleting the words "six month" from line 18, page two of **H. R. No. 165**. For reason of clarification, your Committee inserted the clause "the duration of which is to be determined by the Board" between the words "period" and "to" in line 19, page two of this resolution.

Your Committee is in accord with the intent and purpose of **H. R. No. 165**, as amended herein, and recommends its referral to the Committee on Finance in the form attached hereto as **H. R. No. 165, H. D. 1**.

Signed by all members of the Committee.

SCRep. 412-70 Select Committee of Maui Representatives on **H. R. No. 99**

The purpose of **H. R. No. 99** is to request the Legislative Auditor to conduct a management audit of the operations and finances of Molokai General Hospital, and to report his findings and recommendations to the Legislature twenty days prior to the convening of the Regular Session of 1971.

Your Committee finds that during recent years there have been numerous complaints regarding inadequate patient care services at Molokai General Hospital. There have also been complaints of inequitable staff privileges for physicians practicing at the hospital, inequitable hiring practices and inadequate bookkeeping procedures. In 1969 a petition signed by 600 to 800 residents of Molokai was presented to the Legislature requesting an investigation of the hospital.

Your Committee is aware that Molokai General Hospital has received subsidies from the State during the last three years amounting to over \$200,000. An objective assessment of operations and fiscal management of the hospital is required if the State is to determine whether these funds are being properly expended and whether the people of Molokai are receiving the best possible medical care.

Your Committee is in accord with the intent and purpose of **H. R. No. 99**, and recommends that it be referred to your Committee on Public Health, Youth & General Welfare.

Signed by all members of the Committee.

SCRep. 413-70 Select Committee of Maui Representatives on **H. C. R. No. 38**

The purpose of **H. C. R. No. 38** is to request the Legislative Auditor to conduct a management audit of the operations and finances of Molokai General Hospital, and to report his findings and recommendations to the Legislature twenty days prior to the convening of the Regular Session of 1971.

Your Committee finds that during recent years there have been numerous complaints regarding inadequate patient care services at Molokai General Hospital. There have also been complaints of inequitable staff privileges for physicians practicing at the hospital, inequitable hiring practices and inadequate bookkeeping procedures. In 1969 a petition signed by 600 to 800 residents of Molokai was presented to the Legislature requesting an investigation of the hospital.

Your Committee is aware that Molokai General Hospital has received subsidies from the State during the last three years amounting to over \$200,000. An objective assessment of operations and fiscal management of the hospital is required if the State is to determine whether these funds are being properly expended and whether the people of Molokai are receiving the best possible medical care.

Your Committee is in accord with the intent and purpose of **H. C. R. No. 38**, and recommends that it be referred to your Committee on Public Health, Youth & General Welfare.

Signed by all members of the Committee.

SCRep. 414-70 (Majority) Lands on **H. C. R. No. 94**

The purpose of this concurrent resolution is to withdraw the authorization for projects under Act 68, Session Laws of Hawaii 1968.

Act 68 provided for the development and disposition of public lands for fee simple residential use and leasehold projects in other uses in the best interests of the State. Projects authorized by **Senate Concurrent Resolutions 63, 64, 75 and 76** of the Regular Session of 1969 are not in the process of development. Therefore, the authorization of projects under the Senate Concurrent Resolutions of Regular Session, 1969, are to be withdrawn.

Your Committee is in accord with the intent and purpose of **H. C. R. No. 94** and recommends its adoption.

Signed by all members of the Committee. Representatives Takamine, Aduja, Ajifu and Saiki did not concur.

SCRep. 415-70 Labor and Employment Problems on **S. C. R. No. 22**

The purpose of this concurrent resolution is to request the Federal, State and county governments and private industry to make every effort to provide employment for deactivated National Guard personnel resulting from the deactivation of the 298 Artillery Group of the Hawaii National Guard, effective March 31, 1970.

Your Committee finds that these men will become unemployed as a result of the discontinuance of Hawaii's Nike-Hercules air defense units. Many of the 550 full-time National Guard personnel affected by the deactivation have not as yet found gainful employment.

Your Committee recognizes that these men have proved themselves to be responsible, capable and dedicated employees. Some are highly skilled with high aptitude and most of them are adaptable to most types of employment. Your Committee believes that the Federal, State and county governments and private industry will greatly benefit from the hire of these skilled and trained personnel.

Your Committee is in accord with the intent and purpose of this concurrent resolution and recommends its adoption.

Signed by all members of the Committee.

SCRep. 416-70 Labor and Employment Problems on **H. B. No. 275**

The purposes of this bill is to amend the provisions of the Workmen's Compensation Law relating to the liability for weekly benefit payments of the employer of an employee engaged in concurrent full-time and part-time employment.

Section 386-51, which covers the computation of average weekly wages, presently requires that an injured employee's total wages from employment covered by the

Workmen's Compensation Law be included in the computation of his average weekly wages. The average weekly wages determine the weekly compensation amount he is entitled to. Thus if an injured worker is employed in two or more jobs at the time of his injury, his total earnings from all of these jobs are used to determine his weekly compensation rate, which is $\frac{2}{3}$ of his average weekly wages. Section 386-51(5) further provides that when an employee is engaged in such concurrent employment and suffers an injury while working on his part-time job, the liability of his part-time employer for weekly benefits is limited to the amount which would have been payable to the employee if his employment on said job had been on a full-time basis. In the event a computation of his total wages from all covered employment results in a weekly benefit amount greater than the amount which would have been payable if he had been working on said job on a full-time basis, the balance of his weekly benefits, if any, are payable from the special compensation fund. There is, however, no provision which similarly limits the liability of the full-time employer of an employee engaged in concurrent full-time and part-time employment.

This bill proposes to amend the Workmen's Compensation Law to limit the liability of all employers of employees engaged in concurrent employment in the same manner that the liability of a part-time employer is now limited. It also proposes to amend the law to make it explicit that this limitation does not apply to benefits payable for a permanent partial disability which must be rated as a percentage of total impairment of physical or mental function of the whole man, such as a disability from a back injury. In these situations it would not be reasonable to apportion the benefit liability between the employer and the special fund because the benefits are computed as a percentage of \$35,100 and the earned wages do not serve as a factor in computing the compensation payable for the permanent partial disability as they do in the computation of all other compensation. In those cases when benefits for permanent partial disability are payable on the basis of a percentage of

total impairment of physical or mental function of the whole man, such benefits for permanent partial disability will be paid entirely by the employer in whose employ the injury was sustained.

Your Committee agrees that it is equitable to afford all employers the limitation of liability now afforded only certain employers. It has further amended the bill to clarify the language relating to total physical or mental impairment of the whole man. The term "total impairment of physical or mental function of the whole man" has been substituted for "total physical or mental impairment." This will serve to clarify the term since the definition of disability under the law is "loss or impairment of a physical or mental function."

Your Committee has also amended the bill and its title to make it correctly reflect the sections of the law involved. As introduced, the bill referred to Chapter 97 of the Revised Laws of Hawaii 1955 rather than to Chapter 386 of the Hawaii Revised Statutes.

Your Committee has converted the form of the bill in compliance with House Rule 24(2).

Your Committee is in accord with the intent and purpose of the bill as amended herein and recommends its passage on second reading in the form attached hereto as **H. B. No. 275, H. D. 1** and that it be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 417-70 Labor and Employment Problems on **S. B. No. 1282-70**

The purpose of this bill is to change the composition of the Progressive Neighborhoods Task Force by adding the executive secretary of the advisory commission on manpower and full employment, the executive secretary of the Commission on Children and Youth, the executive secretary of the Commission on Aging, and the Chairman of the Hawaiian Homes Commission to said task force.

The Progressive Neighborhoods Program was established to initiate demonstrative remedial action to improve conditions in distinct neighborhoods that lag far behind the rest of the community in economic, health, social, and physical standards. The Progressive Neighborhoods Task Force, a working-study group of experts consisting of state administrators and others, was assigned the primary responsibility of directing a program designed to make the best use of the resources of existing state agencies as well as new resources to attack the numerous problems faced by the neighborhoods. Most of the state agencies concerned with social welfare are presently represented on the task force.

Your Committee agrees that the proposed addition of the executive secretaries of the advisory commission on manpower and full employment, the Commission on Children and Youth, and the Commission on Aging and the Chairman of the Hawaiian Homes Commission to the Progressive Neighborhoods Task Force would strengthen the task force by involving more state agencies and facilitating coordination among all the state agencies involved in the Progressive Neighborhoods Program.

Your Committee has converted the form of the bill to comply with House Rule 24(2).

Your Committee is in accord with the intent and purpose of the bill and recommends its passage on second reading in the form attached hereto as **S. B. No. 1282-70, S. D. 1, H. D. 1**, and that it be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 418-70 Labor and Employment Problems on **H. B. No. 273**

The purpose of this bill is to amend the section of the Workmen's Compensation Law which covers compensation payments for permanent partial disability.

Section 386-32, Hawaii Revised Statutes, which was formerly Section 97-31, Revised Laws of Hawaii 1955, is the

section of the law which enumerates the compensation benefits payable to an injured employee for any permanent partial disability he may suffer as a result of a work injury. It contains a comprehensive schedule which sets forth the number of weeks of compensation payable for the loss or partial loss of use of each member. For example, the loss of a thumb entitles the injured employee to 75 weeks of compensation. There is also a special provision which covers disability resulting from impairment of any physical function which is not enumerated in the schedule. This provision reads as follows:

“In cases in which the permanent partial disability must be rated as a percentage of total disability the maximum compensation shall be computed on the basis of the corresponding percentage of \$35,100.”

An example of an injury where the foregoing language would apply is a back injury. The schedule does not enumerate the payments due for the loss of use of the back. Therefore a disability resulting from a back injury is determined as a percentage loss of total function of the body and compensation awarded on the basis that said percentage is related to \$35,100. For example, if the injured worker is disabled to the extent of 10%, his compensation would be \$3,510, or 10% of \$35,100.

There has been some confusion in the application of the provision above because of other language in the law. While “disability” is defined as “loss or impairment of a physical or mental function,” “total disability” is defined as “disability of such an extent that the disabled employee has no reasonable prospect of finding regular employment of any kind in the normal labor market.” A strict interpretation of the term “total disability” would therefore require the computation of disability under the provision governing non-scheduled injuries in terms of an injured employee's ability to work. Permanent partial disability compensation payments under the law, however, are based primarily on impairment of physical or mental function and not on ability for work. To avoid a possible confusion, the proposed amendment,

which would make it clear that the amount of permanent partial disability compensation awarded an injured worker is not dependent on his ability to work, should be enacted.

Your Committee has amended the bill in two respects:

1. The title and section references to the Workmen's Compensation Law have been changed to correctly reflect the Hawaii Revised Statutes sections involved rather than Revised Laws of Hawaii 1955 sections.

2. The term "total physical or mental impairment of the whole man" has been amended to "total loss or impairment of physical or mental function of the whole man." This would more closely parallel the definition of "disability" contained in the law.

Your Committee has converted the form of the bill in compliance with House Rule 24(2).

Your Committee is in accord with the intent and purpose of the bill as amended herein and recommends its passage on second reading in the form attached hereto as **H. B. No. 273, H. D. 1** and that it be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 419-70 Select Committee of Oahu Representatives on **H. B. No. 2118-70**

The purpose of this bill is to amend existing law by adding a new section and providing that any "private developer" building on University owned land shall be exempt from any land use or county zoning or subdivision requirements, providing the said buildings are for student housing and are approved by the Board of Regents. These exemptions shall apply only to counties with populations in excess of 100,000. The term "private developers" is intended to cover non-profit or quasi-public developer, or any private developer building for profit.

At present, all University of Hawaii

lands in areas affected by this bill are zoned for urban use, and are designated in the Detailed Land Use Map of the County for institutional use. Under this designation, the University may construct housing facilities on University land without first having to obtain the approval of the Land Use Commission or the City and County of Honolulu, because this is a permitted use within Urban and Institutional zoning districts. In the event that the University determines that proposed plans for constructing dormitories can be implemented more quickly and at a lower cost by a private developer, it has the power to subdivide and lease a portion of its land to a private developer. The private developer, however, must obtain a conditional use permit from the City and County of Honolulu in order to build a dormitory on this land. For example, the University might decide to build a housing unit on the 2½ acres of University land above the quarry. If the University were to proceed with the construction itself, this would conform to the Institutional designation of the land, and thus no conditional use permit would be required. However, if the University were to subdivide this same piece of land, and lease it to a private developer to construct the same housing unit facility that the University has planned to build, the private developer would be required to go through the lengthy process of obtaining a conditional use permit before he could begin construction. Testimony from non-profit and quasi-public housing corporations, and private developers before a joint hearing with your Committee on Higher Education indicated that long delays in excess of one year were experienced in obtaining the necessary permit for the construction of the critically needed dormitories for students, faculty and/or married students.

Your Committee concurs with the findings of the House Committee on Higher Education in **Standing Committee Report Number 251-70** as to the urgent need for housing facilities for the University System. Consonant with this need, your Committee finds it both desirable and necessary to give the University and the private developer the greatest possible incentive and flexibility to build housing facilities.

This bill is clearly not a panacea to solve all of the housing ills of the University System, however, it does provide one very important incentive for developers to build on University land. In order to make a truly meaningful overture to developers, the Board of Regents must consider other incentives as well, such as leasing the land at a nominal consideration, and guaranteeing a certain percentage of occupancy for the facilities. Also, the Board of Regents should investigate the possibilities inherent in performance bidding, whereby the University would designate a specific piece of land, and detail basic requirements and specifications, and private developers would then compete for the entire project. The developers would have the freedom to design and select materials and building systems, and would submit to the University its design and specifications for the entire project, including the cost to the students for lodging and/or meals. The University would then be able to select among the projects submitted, opting for the entry which would provide the most amenities for a reasonable cost. This competition among private developers would enable the University to obtain better facilities for a lower cost, and at the same time would allow the developers the flexibility of design which they would require.

Your Committee has effected certain non-substantive changes in the title and body of the bill for the purposes of clarity.

This bill relates only to leased lands in which the fee ownership is retained by the University, thus this Committee expects that the University will include in its leases, clauses which will enable the University to control the density and aesthetics of facilities built on the land. Furthermore, relating only to lands leased to developers, this bill will not have any effect whatever on lands which are exchanged in fee with private developers. Thus, the proposed land exchange with Scope Corporation in Manoa Valley would not benefit from this bill.

Your Committee has amended the bill to provide that the Board of Regents shall have the discretion to exempt the developer from all zoning or building

requirements or require the developer to obtain a building permit and exempt it from all other requirements, whichever the Board deems to be in the public interest.

Your Committee has further amended the bill to exclude all of the lands acquired under Civil No. 19,760, First Circuit Court, State of Hawaii containing an area of 29.280 acres and commonly referred to as the "Mauka Manoa Campus." Your Committee feels that the University should assign its highest priority to development of student housing in those areas designated by the incremental Long Range Development Plan-Manoa Campus dated February 1967.

Your Committee is in accord with the intent and purpose of **H. B. 2118-70**, as amended herein, and recommends its passage on second reading and that thereafter be placed on the calendar for third reading in the form attached hereto as **H. B. 2118-70, H. D. 1.**

Signed by all members of the Committee except Representative Oda.

SCRep. 420-70 Judiciary on H. B. No. 1925-70

The purpose of this bill is to legislatively declare invalid, as against public policy, certain indemnity agreements in the construction industry which require contractors to assume liability for the negligence of others by contract.

Your Committee received testimony on behalf of the construction industry that there has been established a prevalent practice among owners of real property letting construction contracts to include therein a "hold harmless" clause requiring the contractor or other professional, such as the engineer or architect, to undertake assumption of liability for personal injury or property damage, even where the same results from the "sole negligence" of persons over whom the indemnitor has no control or right of control (such as the owner himself or his employees). As a result, general contractors, in order to protect themselves, are compelled to include similar clauses in contracts with their sub-

contractors, and so forth.

An official of one insurance company testified before your Committee that the premium for such broad form contractual liability insurance is at least 300-400% of the cost of normal coverage, but without which contractors otherwise run the risk of exposing their assets to uninsured losses caused by the negligence of "third parties". In addition to the increased premium, this form of insurance is "experience rated" so that the contractor's or subcontractor's rating factor may increase further as the result of an insured loss caused even by the sole negligence of the owner or his employees who have been "held harmless", thereby causing an even higher premium to be assessed against the contractor's own loss exposures.

Your Committee is satisfied that this practice is, and precipitates further, a form of economic coercion, particularly in instances where the small contractor is bidding in an open and highly competitive market involving owners of substantial means, such that where there is a wide disparity in bargaining power, it may be impossible for the contractor to refuse to enter into a contract containing such a provision, or, alternatively, even precluding him from performing upon a project for which he is otherwise qualified if he cannot afford the premium. Furthermore, it is apparent to your Committee that such "hold harmless" clauses contribute, at least in part, to the increasing costs of construction. In an economy in which the construction industry contributes so significantly this is a very real problem which can only be remedied by legislative invalidation.

At least five other states, including New York, California and Michigan have enacted similar legislation in recent years. The Board of Underwriters of Hawaii supports enactment of this measure because it is "equitable to all concerned and would end a prevalent unfair practice."

It should be noted that this bill does not serve to relieve a contractor from liability when he, or his employees or agents are

negligent; but when they are not, it places the responsibility for injury or damage where it belongs, any promise of indemnification notwithstanding.

Your Committee is in accord with the intent and purpose of **H. B. No. 1925-70** and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 421-70 Government Efficiency and Public Employment on H. B. No. 2142-70

The purpose of this Act is to amend Section 93-3 of the Hawaii Revised Statutes, so that the number of publications received by the Publications Distribution Center, Hawaii State Library, be raised from a minimum of eight to fifteen.

The system of setting up one depository in each county did not meet the needs of the population of the City and County of Honolulu. As a result, document depositories were added to the Kaimuki Regional Library, Kaneohe Regional Library and Pearl City Regional Library so that they could serve as depositories, removing some of the load from the Hawaii and Pacific Unit at the State Library. As the population grows, the need to expand the documents program logically follows, so that the publications of government documents are readily available to the citizens of Hawaii.

Moreover, the Library of Congress Gifts and Exchange Division has not been receiving two copies of each publication. They would like to have two copies, and have communicated to this effect by sending want lists to the Governor's office.

Your Committee is in agreement that Hawaii documents are valuable to a Pacific information program. If a pool of Pacific area document can be set up, Hawaii documents can be offered for an inter-library loan through this pool. The documents received now are specifically for Hawaii's citizens and should be used as such. The extra copies would provide Hawaii's con-

tribution to the Pacific area information program.

Your Committee is in accord with the intent and purpose of **H. B. No. 2142-70**, and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 422-70 Finance on H. B. No. 1264-70

The purpose of this bill is to make an appropriation for the methadone experimental program for the treatment of drug addiction.

The current methadone program in Hawaii is sponsored by the John Howard Association, the Queen's Medical Center and the Hawaii State Hospital. Preliminary results of the program indicate that methadone may well be the most successful answer to heroin addiction. According to John R. Stephenson, M.D., Chairman, Ad Hoc Committee on Drug Abuse, the methadone program surpasses the results of any other method in use and methadone may well qualify as one of the modern miracle drugs. These results show that the State should take over and be financially responsible for the methadone program. The program is now being financed through private trust funds which should not be expected to continue indefinitely.

Your Committee concurs with the \$25,000 appropriation recommended by your Committee on Public Health, Youth and General Welfare. Your Committee requests, however, that the parties involved in the program submit to the Legislature twenty days prior to the convening of the Regular Session of 1971 a report on their findings and recommendations and include therein an explanation of the expenditures made under this Act.

Your Committee is in accord with the intent and purpose of **H. B. No. 1264-70, H. D. 1**, and recommends its passage on third reading.

Signed by all members of the Committee.

SCRep. 423-70 Finance on H. B. No. 1446-70

The purpose of this bill is to amend various sections of Chapters 353 and 354 to provide for a realistic compensation rate for labor performed by prisoners, to increase the amount of the discharge allowance, to provide for the custody of funds to which prisoners are entitled, and to provide for the disposition of such funds.

Your Committee finds that existing provisions of the Hawaii Revised Statutes regarding compensation of prisoners are antiquated and inadequate. As a result, prisoners are frequently returned to society without sufficient funds to assist them in making necessary adjustments. This practice is detrimental not only to the prisoners themselves but to the public at large. Providing prisoners with an opportunity to earn a reasonable sum during their incarceration and furnishing them with a sufficient discharge allowance will best serve the rehabilitative policies not followed by the State.

Your Committee is in accord with the intent and purpose of **H. B. No. 1446-70, H. D. 1**, and recommends its passage on third reading.

Signed by all members of the Committee.

SCRep. 424-70 (Majority) Education on H. B. No. 1956-70

The purpose of this bill is to effect reapportionment of the Board of Education by amending Section 296-3, Hawaii Revised Statutes, in order to conform with the principles of equality of voting power which were set forth in the decisions of the United States Supreme Court relating to legislative apportionment and, more recently, in that Court's decision in the case of **Hadley v. Junior College District of Metropolitan City** relating to school board apportionment.

In the legislative apportionment cases

(Kirkpatrick V. Preisler, 394 U.S. 526 (1969); Wells V. Rockefeller, 394 U.S. 542 (1969); Swann V. Adams, 385 U.S. 440 (1967), the U.S. Supreme Court has set forth the general rule that the Equal Protection Clause of the Fourteenth Amendment requires that each qualified voter must be allowed an equal opportunity to participate in an election, and when members of an elected body are chosen from separate districts, each district must be established on a basis which will insure, as far as practicable, that equal numbers of voters can vote proportionately for equal numbers of people whenever a state or local government decides to select persons by popular election to perform governmental functions. In the aforementioned **Hadley** case, U.S. Supreme Court emphasized that although particular elected offices varied in their functions and powers a constant factor is the state's policy and intent to have citizens participate individually by ballot in the selection of people to carry out governmental functions. Thus, the Court stated, "if one person's vote is given

less weight through unequal apportionment, his right to equal participation is impaired just as much when he votes for a school board member as when he votes for a state legislator." 38 L.W. 4162.

In view of the **Hadley** case, the Attorney General of Hawaii was requested to render an opinion as to whether the present apportionment of the State Board of Education comported with constitutional requirements. In Opinion No. 70-5, the Attorney General concluded that the Board of Education is presently malapportioned and therefore cannot pass the test of constitutionality under the criteria established by the U.S. Supreme Court in the apportionment cases.

The composition of the Board of Education is prescribed by Section 296-3, Hawaii Revised Statutes. On the basis of the number of registered voters in 1968, the relative apportionment, and deviation from the statewide average, of the school board districts are as follows:

COMPARISON OF BOARD OF EDUCATION APPORTIONMENT BY SCHOOL BOARD DISTRICTS

School Board District	No. of Members	No. of Registered Voters	Registered Voters per Member	% Deviation From Statewide Average No. of Registered Voters per Member
1 (Hawaii)	2	27,266	13,633	- 38.6%
2 (Maui)	1	17,934	17,934	- 19.3%
3 (Honolulu)	1	114,035	114,035	+413.3%
4 (Central Oahu)	1	21,771	21,771	- 2.0%
5 (Leeward Oahu)	1	20,665	20,665	- 7.0%
6 (Windward Oahu)	1	30,591	30,591	+ 37.7%
7 (Kauai)	1	12,111	12,111	- 45.5%
Oahu-at-Large	3	(187,062)	62,354	+180.7%
Tot/ave.	11	244,373	22,216	0.0

*Based on the 1968 General Election Voters List after those failing to vote had been purged.

LEGEND

- over-representation
- + under-representation

These wide deviations of over and under-representation have led your Committee to study, consider and hear testimony on a number of alternative apportionment schemes which have clear or reasonable chance of meeting the constitutional requirements. Among the alternative apportionment schemes considered are:

1. At-Large Election of All School Board Members. This alternative obviously has the advantage of avoiding the question of apportionment and is therefore clearly constitutional. However, your Committee feels that this alternative has the serious disadvantage of requiring substantial expense and energy on the part of school Board candidates in order to reach and appeal to a statewide electorate. This disadvantage will likely discourage many citizens from seeking office who otherwise, possess deep interest in education and could serve the public well.

2. At-Large Election of All School Board Members With District Residency Requirement. This type of apportionment scheme has been held constitutional by the Supreme Court and it could be employed in the apportionment of the Board of Education with reasonable expectancy of such apportionment being held constitutional in Hawaii. Your Committee feels, however, that such an apportionment scheme retains the aforementioned disadvantage of a candidate from a particular district being selected by voters from other districts.

3. Single-Member District Elections With Each District Comprised of Average Number of Registered Voters Per School Board Members. It is possible to re-draw all district boundaries on a mathematical basis so that each School Board District will be comprised of the appropriate number of registered voters. Such a plan is highly unsatisfactory since it requires school Board Districts which cross over or overlap county boundaries. Furthermore, School Board members will be required to devote and incur extraordinary time and expense to communicate with people within their districts whose interests and problems may have no com-

mon relationship because of geographic separation by island units.

4. Increase Size of School Board and Number of School Board Districts, Using the Smallest Present School Board District as a Base. At present, Kauai is the smallest School Board District with 12,111 registered voters. In order to entitle Kauai to one member on the strength of its registered voters, the membership of the School Board may be increased in proportion to the registered voters on Kauai. On a mathematical basis, this would result in a School Board with twenty members. Your Committee feels that such a Board would be unwieldy.

Upon careful study of apportionment alternatives, your Committee believes it prudent and practicable to adhere to two principles regarding apportionment of the School Board: (1) that there would be no districts which crossed County lines, and (2) that the size of the School Board be kept to a manageable and efficient number.

Substantial and credible evidence was presented before the Federal District Court that ruled upon Hawaii's Legislative apportionment that the State faced a unique geographic problem of a non-contiguous land mass and that the County boundaries have been set out of this necessity. The District Court recognized this problem and in effect ruled that this was reason enough to effect apportionment without undue encroachment of County lines. Thus, a two-step procedure of apportionment was held acceptable by the District Court whereby, first, the elected body was apportioned among the Counties with each County receiving the number to which it was entitled, and, second, each County was then apportioned by drawing districts as close to mathematical perfection as possible.

Your Committee is of the opinion that the concept of "County Component" in apportionment is a valid and tenable approach in Hawaii. Although the District Court did not specifically decide whether each County could be entitled to a minimum of one number even though the County's registered voters did not entitle

it to one, your Committee feels that such a plan has a fair chance of passing constitutional muster since the "County Component" concept was recognized to some extent by the District Court. The U.S. Supreme Court also gave some indication of recognizing such a unique local problem when it stated in the **Hadley** case:

"... We would be faced with a different question if the deviation from equal apportionment presented in this case resulted from a plan that did not contain a built-in bias in favor of small districts,

but rather from the inherent mathematical complications in equally apportioning a small number of component districts." 38 USLW 4163

In Hawaii, it would seem that a mathematical complication is inherent in our county components since the Counties cannot be easily joined together to form a contiguous school district.

The effect of the above apportionment against the present composition of the Board of Education is shown below:

School District	No. of Registered Voters	Present No. of Members	Proposed No. of Members	No. of Reg. Voters Per Member	*Deviation Based on Proposed Reapportionment
Oahu	187,062	7	8	23,383	+ 5.3
Hawaii	27,266	2	1	27,266	+22.7
Maui	17,934	1	1	17,934	-23.9
Kauai	12,111	1	1	12,111	-83.4
	<u>244,373</u>	<u>11</u>	<u>11</u>		

*Percentage deviation from the statewide average number of registered voters per member (22,216) derived by dividing the total number of registered voters (244,373) by the total number of board members (11). (+) under-representation. (-) over-representation.

Your Committee believes that Oahu should not be apportioned into School Board Districts; that its eight members be elected at-large. The rationale for this at-large provision is the likelihood that the Board will be malapportioned within a short length of time if members are elected from separate Oahu districts, because of population shifts on Oahu. Furthermore, deviations from the statewide average of registered voters per Board member will be extensive among the four present Oahu school districts unless the district boundaries are modified so that each Oahu district will have an equal number of registered voters. This latter option is undesirable because it will unduly disrupt the established pattern of administrative school districts on Oahu.

Your Committee is in accord with the intent and purpose of **H. B. No. 1956-70**,

as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 1956-70, H. D. 1**, and that it thereafter be placed on the calendar for third reading.

Signed by all members of the Committee. Representatives Inaba and Takamine did not concur.

SCRep. 425-70 Printing and Revisions

Informing the House that **Standing Committee Report Nos. 409-70 to 424-70, House Resolution Nos. 279 to 290, House Concurrent Resolution Nos. 103 to 105 and Standing Committee Report Nos. 426-70 to 517-70** have been printed and distributed.

Signed by all members of the Committee.