

SCRep. 665 Select Committee of Oahu Representatives on **H.R. No. 275**

The purpose of this resolution is to request the Department of Transportation to prohibit left turns from Makuahine Street, crossing Kalihi Street, unto Likelike Highway. The prohibition will eliminate great inconvenience to motorists in the area and reduce a known traffic hazard.

Your Committee concurs with the intent of **H. R. No. 275** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 666 Finance on **H.R. No. 201**

The purpose of this resolution is to request the department of health and the department of social services and housing to jointly conduct an interim study on the feasibility of utilizing the old Kona hospital, when it becomes available, as a domiciliary care facility for the elderly citizens of the Kona community. A report thereon is requested for presentation to the next Legislature.

While the Kona community is deeply concerned for the care of its elderly citizens who need domiciliary care, the department of social services and housing reports that there exists an acute shortage of facilities for the elderly population with no family.

Mindful that these elderly citizens must be cared for in a decent domicile in their declining years, your Committee deems it fortunate that such a facility will soon be available, assuming, of course, that this study will determine that such is the best use for the soon to be abandoned old Kona hospital.

According to the departments concerned, no additional staff or funds will be required to carry out this study.

Your Committee on Finance concurs with the intent and purpose of **H. R. No. 201** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 667 Finance on **H.C.R. No. 39**

The purpose of this concurrent resolution is to request the department of education to

conduct a feasibility study concerning the use of paved parking areas in public schools for recreational purposes after school hours.

Presently, the department of education has already installed basketball and volleyball standards on the paved parking areas in several schools on Oahu for physical education purposes and also for recreational purposes to be used after school hours.

The present condition of scarcity of land available for recreational use and the rising costs of construction of new recreational facilities hampered by the tight money situation, leaves available limited alternative paths. The needs of youngsters must be met, and the use of paved parking areas in schools for these purposes after school hours presents a likely solution.

A report of the findings and recommendations of this study is to be submitted to the Legislature twenty days prior to the convening of the 1972 session.

We are informed that there is no requirement for added staff or funds to conduct the requested study.

Your Committee on Finance concurs with the intent and purpose of **H. C. R. No. 39** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 668 Education on **H.R. No. 185**

The purpose of this Resolution is to direct the Teacher Education Coordinating Committee (TECC) to submit its findings and recommendations for 1971-72 before the end of the 1971 session of the legislature.

The Teacher Education Coordinating Committee has been meeting regularly this year and is preparing to submit a report to the legislature at the end of this year, or earlier, if directed by the legislature in adoption of this Resolution. The Chairman of TECC, Dean H. V. Everly, testified at the public hearing on this Resolution and admitted that TECC was remiss in not submitting annual reports as required by law. He also said that the required meetings every month was not necessary and was becoming a hardship on the members of the committee.

Your Committee has expressed its willingness to cooperate with TECC and will recom-

mend that an amendment be introduced to require meetings once a quarter. Your Committee also expressed its willingness to cooperate on other recommendations submitted to the legislature on problems affecting the educational system at the University or the Department of Education. However, this can not happen so long as TECC does not comply with the requirement of ACT 175, SLH 1965. Therefore, your Committee expects an annual report this session, the report to be updated and submitted to the 1972 session and thereafter, annual reports be submitted prior to the legislative sessions.

Your Committee concurs with the intent and purpose of **H. R. No. 185** and recommends its adoption.

Signed by all members of the Committee except Representative Iha.

SCRep. 669 Education on H.C.R. No. 51

The purpose of this Concurrent Resolution is to request the Department of Education to consult with student body representatives in planning for school improvements. Currently, the Department, through the Student Affairs Section of the Office of Instructional Services involves student in-put in developing programs and specification for resource and student centers and snack bars. This Concurrent Resolution will request that the Department offer students the opportunity to participate, to a greater extent than is now offered, in the planning of improvements to school facilities and grounds.

Your Committee concurs with the intent and purpose of **H.C.R. No. 51** and recommends its adoption.

Signed by all members of the Committee except Representative Iha.

SCRep. 670 Lands on S.B. No. 552

The purpose of this bill is to make "Sand Island" the official name of that certain island situated on the southwest side of Honolulu harbor.

Your Committee acknowledges the basis of preference for Hawaiian names; however, the use of "Anuenue" is apparently unfeasible as the general public continues to refer to the island as "Sand Island", resulting in general confusion as to its identity. This bill will alleviate that confusion.

Your Committee on Lands is in accord with the intent and purpose of **S. B. No. 552** and recommends its passage on second reading and that it be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 671 Higher Education on H.R. No. 204

The purpose of this resolution is to request the University of Hawaii, in cooperation with the Planning Commission of the City and County of Honolulu, the Oahu Development Conference, the Lower Manoa, McCully, and Moiliili Council, and any other interested and concerned group or organization to conduct a joint study on how the Honolulu Stadium site can be used most effectively to serve the needs of the immediate community and consider as one of the major possible uses the feasibility of establishing and constructing a Continuing Education Complex, to include a day-care center, an attractive open-space recreation area, greatly needed university housing, and an elderly care and recreation facility on the present Honolulu Stadium site.

Your Committee on Higher Education concurs with the purpose of **H. R. No. 204** and recommends its referral to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 672 Judiciary on H.B. No. 397

The purpose of this bill is to amend Chapter 385 of Hawaii Revised Statutes, the Additional Unemployment Compensation Benefits Law, by (1) repealing the provisions which extend the duration of unemployment compensation payments during periods of high unemployment, (2) increasing the benefit amount for individuals eligible for benefits under Chapter 385 but ineligible for regular unemployment compensation benefits from \$35 per week to the average weekly benefit amount payable to claimants under the unemployment compensation law, and (3) adding a provision which would prevent the duplication of benefits received under Chapter 385 with disaster benefits under any other state or federal law.

Your Committee concurs with the findings

and conclusions of your Committee on Labor expressed in **Standing Committee Report No. 216**.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 397** and recommends its passage on Third Reading.

Signed by all members of the Committee.

SCRep. 673 Judiciary on H.B. No. 429

The purpose of this bill is to provide for protection against the misappropriation of a legitimate label of a trade union or other association of employees.

The present law provides for print, label, trademark, and tradename protection, but does not provide adequate protection for union labels. Since trademarks are designed to indicate the name of the manufacturer, the contents of the packages, the quality of the goods, or directions for use, while union labels are designed to inform the public of the fact that certain articles are the products of the labor of union members, it is unclear whether present Hawaii law can be applied to labels of unions or employee associations. This bill would specifically grant similar protection to such labels.

Your Committee upon consideration of **H. B. No. 429** recommends that it be amended in the form attached thereto as **H. B. No. 429, H. D. 1** in order to place protection of such labels on a parity with trademarks, print, label, and tradename protection. As the bill is presently drafted, misappropriation of such labels would be treated differently than appropriations of trademarks, prints, labels, and tradenames.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 429**, as amended herein, and recommends its passage on Third Reading in the form attached hereto as **H. B. No. 429, H. D. 1**.

Signed by all members of the Committee.

SCRep. 674 Higher Education on H.R. No. 233

The purpose of this resolution is to request the Board of Regents of the University of Hawaii to review the procedures for selecting applicants for student housing. This request stems from the concerns of parents of college

students about their children's first experience of living away from home. Parents, especially from the neighbor islands, are desirous of having their children initially housed in the University dormitories. Although the University stated that it is able to place all neighbor island freshmen applying for dormitory accommodations, the procedure requires them to apply for housing by May 1st. Some of the students are unable to do so by the deadline period. Then, their chances of getting placed at the dormitories are determined by drawing lots. It is believed that with 500 more beds which will be ready for occupancy early in 1972, the problem will be resolved. A University committee is presently reviewing policies regarding dormitory assignments and priorities.

Your Committee upon being apprised of the situation recommends that the first WHEREAS clause be amended to read as follows:

“WHEREAS, because of the critical shortage of available student housing at the University of Hawaii students without priority are accepted for housing by drawing lots; and”

And, adding an additional WHEREAS clause as follows:

“WHEREAS, some students having priority are unable to apply for housing at the University by May 1st, after which their chances of getting housed are dependent upon luck; and”

Your Committee is desirous for the University to consider student selection procedures that will ensure that incoming freshmen students who are desirous of being housed at the dormitories and who stand to benefit most from being housed in the University dormitories will get placed.

Your Committee on Higher Education concurs with the purpose of this resolution as amended herein and recommends its adoption in the form attached hereto as **H. R. No. 233, H. D. 1**.

Signed by all members of the Committee.

SCRep. 675 (Majority) Judiciary on H.B. No. 65

The purpose of this bill is to effect amendment of various sections of Chapter 205 of

the Hawaii Revised Statutes, which pertains to the State Land Use Commission and the regulation of land use in the State.

The bill would amend chapter 205 to increase the commission from its present seven members to fifteen. The bill would provide that one member of the commission shall be appointed from each of the senatorial districts and for the appointment of one member on an at-large basis. The bill would further extend membership on the commission to the executive heads of the planning departments of the counties of the State and would prohibit a member of the commission from involvement in the development of land for profit, except with respect to the member's personal residence if it is 5 acres or less. **H. B. No. 65, H. D. 1**, would alter the notice provisions contained in Section 205-4 with respect to the amendment of district boundaries. In this regard, your Committee anticipates the requirement of notice by certified mail will involve some practical problems of administration and, within this context, failure to notify a person located within the area described caused by inadvertent error should not work to invalidate the proceedings. Neither should failure to determine exact proximity with regard to the fifty nearest landowners flaw the subsequent proceedings. Finally, the bill would amend Chapter 205 by adding a new section to that chapter which pertains to the substance of the notice of public hearing published by the commission. In the event the content of such a notice differs materially from the action of the commission, then the action taken is voidable. Your Committee is concerned with the type of situation where the notice provides for an upgrading of use from conservation to agricultural but the final action taken is an upgrading from conservation to urban.

Your Committee has received extensive testimony on this bill and agrees with the conclusion of Shelley M. Mark, Director of the Planning and Economic Development Department, that **H. B. No. 65** is "an extremely comprehensive and obviously well thought out bill". The need for careful regulation of the use of the land of the State is self-evident and your Committee is of the opinion that greater involvement of responsible public officials through the expansion of the State Land Use Commission is desirable. Similarly, your Committee is of the opinion that the notice provisions contained in the bill will result in greater public involvement in decisions affecting land use.

Your Committee feels that there is a need for public awareness and participation in this process. As land is one of our most important natural resources, so public involvement in the planning and the utilization of this resource is an important aspect of participatory democracy.

Your Committee has amended **H. B. No. 65, H. D. 1**, in several respects:

1. Your Committee has amended the bill by partially deleting the proposed amendment of Section 205 of the Hawaii Revised Statutes (Section 3 of the bill) by striking the provisions for semi-annual processing of petitions for change appearing in the first paragraph of page 5 and by striking all new material relating to the holding of hearings in said section.

2. Section 4, line 19, page 7 of the bill has been amended to add the word "substantial" when speaking of the variance between the subject matter of the notice and the action taken by the Committee. Your Committee has added this qualifying term because it believes that a minor variance would be *de minimis*. It has also changed the language in this section to provide that only an interested person may bring suit within 90 days rather than any person.

3. Your Committee has amended the bill by adding a new section providing for the reversion of reclassified land when the person seeking the reclassification does not use the land in the way he has indicated at the time the petition was brought.

4. Finally, your Committee has amended the bill to reflect the change in section numbers.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 65, H. D. 1**, as amended herein, and recommends its passage on Third Reading in the form attached hereto as **H. B. No. 65, H. D. 2**.

Signed by all members of the Committee. Representatives Duponte and Lee did not concur.

SCRep. 676 Finance on H.B. No. 51

The purpose of this bill is to require uniform publication of rules and regulations

which are required to be filed in the Lt. Governor's office by various State and county agencies, boards and commissions.

At present there is no uniform codification of such rules and regulations. Instead, they are filed for promulgation by each body authorized to adopt them, independently; and presently they fill over 5,600 pages, increasing at a rate of approximately 1,000 pages per legislative session.

By requiring the uniform publication of these rules and regulations, order would be created out of the now diverse and numerous agency publications, and access to these rules by the public, the legislature, and the agencies would be facilitated. Moreover, by publishing the rules and regulations in this manner, cross-referencing with the statutes and continual supplementation would become feasible.

Your Committee on Judiciary to which this bill was initially referred recommended several amendments thereto before its passage on second reading. They deal with frequency of publication, distribution of the proposed Code, and appointment of temporary assistants for initial publication. With reference thereto, your attention is respectfully addressed to **Stand. Com. Rep. No. 298**.

Testimony by the Revisor of Statutes, charged under this bill with compiling, publishing and maintaining the Code, has indicated that if enacted into law, there will be a need for additional personnel (temporary) and a substantial initial cost. It is estimated that the finished product will consist of a set of books approximating the size of the first seven volumes of the Hawaii Revised Statutes.

The bill appropriates \$240,000 which, according to the Revisor, is reasonable, as follows:

Two technical assistants for 1 year at \$15,000	\$ 30,000
Three clerical assistants for 24 months at \$425	30,600
Supplies and equipment	5,000
Printing and binding	175,000
Total	\$240,600

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 51, H. D. 1**, and recommends that it pass third reading.

Signed by all members of the Committee.

SCRep. 677 Finance on H.B. No. 60

The purpose of this bill is to authorize entry by the State of Hawaii into a compact with states in the western region of the United States, called the Western Inter-State Nuclear Compact, designed to provide scientific and technological resources, facilities, skills, guidance, and assistance to members, and also to promote nuclear energy as a source of power.

The compact has been in effect since March 1969. Presently, Alaska, Arizona, California, Colorado, Idaho, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming have passed legislation joining the compact.

Your Committee on Economic Development, to which this bill was initially referred has expressed no favor of Hawaii's entry into the compact, but with one reservation: "that Hawaii be given time to fully appraise the program, direction, and activities of the Compact."

Accordingly, several amendments were recommended prior to passage of this bill on second reading. With regard thereto, your attention is respectfully invited to **Stand. Com. Rep. No. 49**.

The sum hereby appropriated for the purpose of joining the Western Inter-State Nuclear Compact is \$10,000.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 60, H. D. 1**, and recommends that it pass third reading.

Signed by all members of the Committee.

SCRep. 678 Finance on H.B. No. 124

The purpose of this bill is to provide elected officers, employee representatives or shop stewards of duly recognized employee organizations a reasonable amount of time off during working hours to carry out the duties of their offices without loss of pay or benefits.

Your Committee concurs with the findings of your Committees on Public Employment and Joint Select Representatives in **Stand.**

Com. Rep. Nos. 117 and 609, respectively, which are hereby incorporated herein by reference.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 124, H. D. 2**, and recommends that it pass third reading.

Signed by all members of the Committee.

SCRep. 679 Finance on H.B. No. 125

The purpose of this bill is to provide that damages to government property caused by a public officer or employee in the course of his employment would not result in the employee's liability except in cases of negligent or willful and wanton misconduct.

Your Committee concurs with the findings of your Committees on Public Employment and Joint Select Representatives in **Stand. Com. Rep. Nos. 118 and 610**, respectively, which are hereby incorporated herein by reference.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 125, H. D. 1**, and recommends that it pass third reading.

Signed by all members of the Committee.

SCRep. 680 Finance on H.B. No. 130

The purpose of this bill is to provide that employees who were in the military service of the United States during the period of 1941-1949 would be able to purchase service credit toward membership in the state pension and retirement system.

Your Committee concurs with the findings of your Committees on Public Employment and Joint Select Representatives in **Stand. Com. Rep. Nos. 120 and 611**, respectively, which are being incorporated herein by reference.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 130, H. D. 1**, and recommends that it pass third reading.

Signed by all members of the Committee.

SCRep 681 Finance on H.B. No. 140

The purpose of this bill is to permit an employee to purchase prior service by contributing at the rate of one and one-half times his normal contributions to the retirement system as an alternative to the present method of two times his normal contributions.

Your Committee concurs with the findings of your Committees on Public Employment and Joint Select Representatives in **Stand. Com. Rep. Nos. 122 and 612**, respectively, which are hereby incorporated herein by reference.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 140, H. D. 1**, and recommends that it pass third reading.

Signed by all members of the Committee.

SCRep. 682 Finance on H.B. No. 237

The purpose of this bill is to amend the service-connected total and occupational disability retirement statutes, which now cover firemen, to include sewer workers.

Your Committee concurs with the findings of your Committees on Public Employment and Joint Select Representatives in **Stand. Com. Rep. Nos. 143 and 613**, respectively, which are hereby incorporated herein by reference.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 237** and recommends that it pass third reading.

Signed by all members of the Committee.

SCRep. 683 Finance on H.B. No. 482

The purpose of this bill is to amend the workmen's compensation law to increase the amount an employer must pay into the special compensation fund in cases of industrial death where the deceased worker leaves no surviving dependents and in industrial death cases where the employer's liability for dependency benefits terminates before the payment of \$2,000 to dependents.

The workmen's compensation law presently requires the employer of an employee who is killed in an industrial accident but leaves no surviving dependents to pay \$2,000 into the special compensation fund. In a death case where the deceased worker has

dependents surviving him but dependency benefits are terminated for any reason before they total \$2,000, the difference between the benefits paid and \$2,000 is paid by the employer into the special compensation fund.

This bill, as introduced, proposed to increase the amount an employer must pay into the special compensation fund in death cases where there are no dependents from the present \$2,000 to a sum equivalent to 50% of an employer's maximum aggregate liability for weekly benefit payments under the law, said maximum now being \$35,100. It also proposed to require the payment in other death cases of any unpaid balance of 50% of said maximum liability into the special compensation fund in place of the present requirement of paying the unpaid balance of \$2,000 into said fund.

Your Committee on Labor, to which this bill was initially referred, found as follows and recommended the following amendment:

"Your Committee agrees with the director of labor and industrial relations that a no-dependency death case represents a windfall for the employer in benefit liability. An early termination of dependency benefits is likewise a windfall in benefit liability for the employer. The proposal to increase payments into the special compensation fund in the above circumstances would help insure the solvency of the special fund to which all employers and insurers contribute and is worthy of consideration. Your Committee is of the opinion, however, that payments of 25% of maximum liability, or \$8,775 under the present law, would be a more equitable proposal. It has therefore amended the bill to provide that in an industrial death case where there are no surviving dependents the employer should pay 25% of the maximum aggregate weekly benefits into the special fund. It has also amended the bill to require an employer whose liability for dependency benefits terminates before they total 25% of the maximum aggregate weekly benefits to pay the difference between the amount paid and said 25% into the special fund."

Your Committee concurs therein.

Your Committee on Finance is in accord with the intent and purpose of H. B. No. 482, H. D. 1, and recommends that it pass third reading.

Signed by all members of the Committee except Representative Poepeo.

SCRep. 684 Finance on H.B. No. 853

The purpose of this bill is to amend section 27-26, Hawaii Revised Statutes by requiring the state to appropriate funds for junior police activities including the procuring of insurance for accident (\$20,000), funeral (\$1,500), death benefits (\$5,000) and liability (\$100,000).

At present the Honolulu Police Department has within its budget, funds to provide for JPO activities in 158 schools with approximately 5,280 students manning 416 school crossings. Insurance coverage is provided for these students for bodily injury from accidents. Until the beginning of 1970, private industries on Oahu have been donating the premiums for insurance coverage for these students. This bill will require the state to provide insurance coverage for those in the JPO program. The cost per fiscal year to the State, to cover JPO's in all schools on all islands throughout the State, will be about \$32,000. Your Committee, therefore, amended the bill to provide for an appropriation of \$64,000 out of general revenues for the ensuing biennium, to be expended by the department of education for the purpose hereof.

In this regard, the appropriation is limited, for the present, to payment of premiums upon the insurance required by the amendments to section 27-26. Your Committee is not unmindful that by virtue thereof the State is also now required to appropriate funds to facilitate the training programs of the several junior police organizations. However, all testimonies addressed to this bill have dealt exclusively with the question of insurance costs. In order that we may intelligently consider and provide for the needs of JPO training programs, therefore, the department of education, in conjunction with the police departments of the several counties, is hereby requested to undertake consideration of that question and to submit to the legislature its request for such supplemental appropriations as may be necessary to cover the costs of training programs.

The bill has been amended, technically, as follows: By inserting appropriation and expenditure provisions; by renumbering the sections accordingly; by deleting from the caption the word "training", since, as

amended, the section is now essentially concerned with insurance coverage; and by amending the effective date of the Act to July 1, 1971.

Your Committee on Finance is in accord with the intent and purposes of **H. B. No. 853**, as amended herein, and recommends that it pass third reading in the form attached hereto as **H. B. No. 853, H. D. 1**.

Signed by all members of the Committee.

SCRep. 685 Finance on H.B. No. 996

The purpose of this bill, which relates to providing for the second and third years of the Study of Surf Parameters, are (1) to establish three position counts therefor, and (2) to fund continuation of the study.

Last year, by Act 175, the Legislature provided \$50,000 for the first phase of this study. Your Committee on Higher Education, to which this bill was initially referred, has found that:

“More knowledge about wave effects is needed so that maximum use of our shorelines can be achieved. As our population grows, there will be increasing demands for shoreline uses by different interest groups. There is need to see how we can accommodate as much of the various water recreational uses of our people. Testimonies indicated that some of our shoreline projects have been planned without adequate regard to the effects on natural surf conditions, thereby altering existing recreational usage of adjacent waters. Furthermore, a number of shoreline construction projects have suffered damages because of the lack of precise knowledge about wave conditions.” (**Stand. Com. Rep. No. 404**)

We agree with this generalization, but we do not believe it gets to the real substance of the problem. Running the risk of failure ourselves, we shall, nonetheless, undertake the challenge.

Last year, in **Conf. Com. Rep. No. 20 (H. B. No. 1260-70, H. D. 1, S. D. 1, C. D. 1)** the Legislature appropriated \$50,000:

“ . . . to (1) provide for initiation of a study of surf parameters by the department of ocean engineering so that shoreline projects can be planned and executed

with informed knowledge relating to ocean wave phenomena; (2) obtain information from the study in order to protect and enhance safety, navigation activities, recreation facilities, and other shoreline interest; and (3) prepare and submit a report prior to the convening of the regular session of 1971.”

Conceding that this language is subject to varying interpretation, your Committee believes, and we hereby find, that the study was intended to “characterize” recreational surfing sites and develop planning parameters suitable for use in assessing the compatibility of proposed marine construction projects with a surfing environment. The “constant factor” anticipated to be produced is then useful, in turn, for enhancing existing surfing areas, creating new sites to increase surfing opportunities, and replacing sites required for other necessary uses.

A review of the study to date indicates that it is deviating from this objective and appears headed in the direction of preservation and enhancement of “endangered” surf sites at the expense of other equally pressing coastal zone programs.

Your Committee also notes that, as drafted, the purpose provisions of this bill redirects the study to a determination of the environmental impact and effectiveness of already authorized, funded, and pending projects in the coastal zone.

For example, the director of transportation in a prepared statement before your Committee stated that with regard to all projects in the coastal zone, “in accordance with existing federal law, an environmental impact statement is prepared and distributed, and public hearings are held.”

In any event, testimony by the chairman of the department of ocean engineering of the university of Hawaii tends to indicate that the balance of the study will be conducted as hereinabove prescribed in order to accomplish the objectives indicated. To insure that this is the case, however, the department is hereby requested to prepare and submit a progress report prior to the convening of the regular session of 1972.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 996** and recommends that it pass third reading.

Signed by all members of the Committee.

SCRep. 686 Finance on H.B. No. 997

The purpose of this bill is to fix the boundaries of Anuenue Park and to provide for citizen participation in the planning process involved in the establishment of that park.

We do not relish the dilemma faced by your Committee on Lands, to which this bill was initially referred. Recognizing, first, the "grave lack of recreational area facilities for western Honolulu", that Committee was "equally cognizant of the need to provide for an extensive sewage treatment facility which must of necessity be located within the area designated for park use". Thereupon, the bill was amended to reduce the size of the park from "not less than 250 acres" to "not less than 200 acres".

Your Committee on Finance received and considered essentially the same testimony and evidence in its deliberations hereupon as did your Committee on Lands. Looking at the diversity of interests and needs expressed thereby in light of the recommendation of your Committee on Lands in **Stand. Com. Rep. No. 420**, relating to planning and development of the sewage treatment facility, and because of that recommendation, which we hereby endorse, we cannot agree that any legislative action in the form of a *de facto* amendment to Act 142, Session Laws of Hawaii 1970, by reducing the aggregate acreage of the park is in order for the present.

Therefore, your Committee has hereby amended the bill, as amended, by providing, consonant with Act 142, and so that none may deem our determination otherwise as disenfranchising, that the total acreage of the park is established as "not more than 250 acres". In so doing, to the extent it is not inconsistent herewith, we hereby adopt by reference the findings and conclusions of your Committee on Lands in **Stand. Com. Rep. No. 420**, aforesaid, and particularly:

" . . . with the understanding that when the sewage facility is planned and developed, such planning and development will be subject to a full effort to blend the facility with the park and to provide for as much open space with the facility site as is possible in order that the aggregate 250 acres afford as much 'park' use as possible. Your Committee feels that the same good reason for assuring open space mandates

the establishment of the sewage facility; both projects stem from the Legislature's concern for the quality of life of our residents as well as the quality of our environment."

Your Committee further amended Section 2 of the bill, as amended, because there is apparently some question as to how much of the shoreline is involved, by defining the perimeter of the park as extending "from the Coast Guard facility eastward along the remaining harbor and entire southern ocean frontier westward to the Bascule Bridge at Sand Island Access Road (including the old Navy Observation Tower and surrounding bunker complex)." In so doing, we retained the provision that the park area shall also include seaplane runway 14-32 as a marine stadium for aquatic sports.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 997, H. D. 1**, as amended herein, and recommends that it pass third reading in the form attached hereto as **H. B. No. 997, H. D. 2**.

Signed by all members of the Committee except Representative Poepoe.

SCRep. 687 Finance on H.B. No. 1132

The purpose of this bill is to provide more adequate compensation for those persons taking time off from their regular employment to fulfill their duties as citizens by serving as jurors in courts of record of the State.

Under present law jurors receive \$10 a day for jury duty unless they must travel to an island other than the one on which they reside for such duty, in which case they receive \$15 a day.

Your Committee agrees with your Committee on Judiciary in **Stand. Com. Rep. No. 369**, "that said amounts are inadequate to compensate such persons for wages lost in fulfilling their duties as citizens, and that the amounts of \$20 and \$25 per day respectively are more equitable under current economic conditions."

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 1132** and recommends that it pass third reading.

Signed by all members of the Committee.

SCRep. 688 Finance on H.B. No. 1507

The purpose of this bill, as amended, is to permit members of the retirement system to purchase credit for prior service between the years 1941 and 1947 with federal defense agencies and for service rendered prior to becoming a member as a fulltime employee at Leahi Hospital.

Your Committee concurs with the findings of your Committees on Public Employment and Joint Select Representatives in **Stand. Com. Rep. Nos. 473** and **629**, respectively, which are hereby incorporated herein by reference.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 1507, H. D. 2**, and recommends that it pass third reading.

Signed by all members of the Committee.

SCRep. 689 Finance on H.B. No. 1511

The purpose of this bill is to permit a member of the retirement system who is on leave without pay, particularly for health reasons, to file application for ordinary disability retirement.

Your Committee concurs with the findings of your Committees on Public Employment and Joint Select Representatives in **Stand. Com. Rep. Nos. 391** and **626**, respectively, which are hereby incorporated herein by reference.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 1511**, and recommends that it pass third reading.

Signed by all members of the Committee.

SCRep. 690 Select Committee of Oahu Representatives on H.B. No. 1372

The purpose of this bill is to amend statutory sections relating to the City and County of Honolulu as follows:

1. Repeal Section 70-1 which defines the City of Honolulu as that area between Maunalua and Moanalua.

2. Repeal Section 70-25 which requires the removal of any officer who accepts gratuity from various persons and which requires any

appointee of any board to vacate his office in case he becomes a candidate for any office.

Your Committee finds that the geographical limitations serves no useful purpose and that it is inconsistent with charter definition and other laws relating to the City and County of Honolulu. Your Committee, however, believes that Section 70-25 should be retained. Accordingly, **H. B. No. 1372** was amended by deleting the phrase relating to Section 70-25 from the title and body of the bill.

Your Select Committee of Oahu Representatives is in accord with the intent and purpose of **H. B. No. 1372**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 1372, H. D. 1**, and that it be referred to your Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 691 Hawaiian Homes on S.C.R. No. 48

The purpose of **S. C. R. No. 48, S. D. 1**, is to ask Hawaii's Congressional delegation to take whatever action is necessary to allow qualified lessees of Hawaiian home lands to obtain dwelling construction loans from the Farmers Home Administration, United States Department of Agriculture.

At the present time, the Farmers Home Administration's rural housing program, which is authorized by Title V of the Housing Act of 1949 (Title 42, Section 1471, U. S. C.) provides dwelling construction loans, at reasonable terms and rates, to qualified applicants who cannot obtain conventional financing.

However, since the Farmers Home Administration requires a real estate mortgage on fee simple land as security for its rural housing loans, a Hawaiian homesteader cannot qualify because the Hawaiian Home Commission Act will not allow him to obtain a fee simple interest and because it prohibits him from mortgaging his interest in his homestead.

Under present law, the Department of Hawaiian Home Lands is authorized to guarantee the repayment of dwelling construction loans which are made to its homesteaders by the Farmers Home Administration.

Should the Farmers Home Administration be allowed to accept the State's guarantee of repayment in lieu of a real estate mortgage on fee simple land then the benefits of said rural housing program will become available to many Hawaiian homesteaders who at the present time are not able to obtain dwelling construction loans.

Your Committee has amended **S. C. R. No. 48, S. D. 1**, by deleting the Secretary of Agriculture from the last paragraph.

Your Committee on Hawaiian Homes concurs with the purpose of **S. C. R. No. 48, S. D. 1**, as amended herein, and recommends its referral to your Committee on Housing and Consumer Protection in the form attached hereto as **S. C. R. No. 48, S. D. 1, H. D. 1**.

Signed by all members of the Committee.

SCRep. 692 Housing and Consumer Protection on **H.C.R. No. 1**

The purpose of this Concurrent Resolution is to perpetuate the consumer food price index survey and the weekly publication of its salient features.

At the outset, a distinction should be made between the publication known as the **Hawaii Consumer News** and the consumer food price index survey. The former was a product which existed for a period of several months in 1970, the last issue being released in November of that year. The latter, meanwhile, is a report, the condensed version of which has appeared weekly in the **Honolulu Advertiser**. The consumer food price index survey has existed since Spring of 1969 and is still being published.

Your Committee, in line with the above findings, recognizes that a probable inadvertent error was made in the drafting of the **H. C. R. No. 1** and that references to the **Hawaii Consumer News** were meant to be references to the consumer food price index survey. Your Committee, therefore, wishes to amend the title as well as the body of the Concurrent Resolution by substituting "consumer food price index survey" for "**Hawaii Consumer News**" whenever the latter appears. Furthermore, inasmuch as the first paragraph is largely a description of the **Hawaii Consumer News**, it is rewritten to read:

"WHEREAS, the consumer food price index survey, a report on the prices of seventy key food staples in twenty-five retail stores on Oahu, has been published since spring, 1969; and"

Furthermore, your Committee wishes to amend **H. C. R. No. 1** in accordance with testimony offered by the State Department of Agriculture and the University of Hawaii's Department of Agricultural Economics who advocated that the function of publishing be turned over to the State Department of Agriculture. This would allow the University's Department of Agricultural Economics to focus their concern upon the analysis and interpretation of the data collected. The certified copy of this Concurrent Resolution it follows, should be transmitted to the Chairman of the Board of Agriculture rather than to the President of the University of Hawaii; **H. D. 1** accommodates this change.

Based on these considerations, your Committee amends the title of the Concurrent Resolution to read as follows: "HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF AGRICULTURE TO CONTINUE THE PUBLICATION OF THE CONSUMER FOOD PRICE INDEX SURVEY AND MAKE PUBLIC ITS PERTINENT SECTIONS WEEKLY THROUGH THE PRESS." Your Committee wishes to emphasize that the effects of the survey has thus far been extremely gratifying to the public. Your Committee feels that the correlation between the existence of the survey and the lowering of prices is indisputable, and is in full support of the continuance of the survey.

Your Committee on Housing and Consumer Protection is in accord with the intent and purpose of **H. C. R. No. 1** as amended herein, and recommends its referral to the Committee on Higher Education in the form attached hereto as **H. C. R. No. 1, H. D. 1**.

Signed by all members of the Committee.

SCRep. 693 Finance on **H.B. No. 251**

The purpose of this bill, as amended, is to regulate and require complete disclosure of campaign contributions and expenditures.

Your Committee concurs with the findings of your Committee on Judiciary in **Stand. Com. Rep. No. 648**, herein incorporated by reference, including the recommended

amendments hereto. As amended, no funding is required for the purpose of this bill.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 251, H. D. 1**, and recommends that it pass third reading.

Signed by all members of the Committee.

SCRep. 694 Finance on H.B. No. 937

The purpose of this bill is to fund the development of a law school at the University of Hawaii which would provide educational opportunities in law in Hawaii; and, in addition, bring social, educational, economic, and governmental betterment to the State, as well as to the nation and the Pacific-Asian area.

Your Committee on Finance concurs with the findings of your Committee on Higher Education expressed in **Stand. Com. Rep. No. 633**, and hereby incorporates the same herein by reference.

The appropriation hereby recommended as necessary for the purpose of initiating and establishing a law school at the University of Hawaii is \$558,500 for the fiscal biennium 1971-73 (\$133,500 for 1971-72 and \$425,000 for fiscal year 1972-73).

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 937, H. D. 1**, and recommends that it pass third reading.

Signed by all members of the Committee.

SCRep. 695 Finance on H.B. No. 1127

The purpose of this bill, as amended, is to allow only licensed attorneys to act as Family Court referees and to make the salary level of the referee the same as that of a full-time district judge.

Your Committee concurs with the findings of your Committee on Judiciary in **Stand. Com. Rep. No. 521**, herein incorporated by reference.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 1127, H. D. 1**, and recommends that it pass third reading.

Signed by all members of the Committee.

SCRep. 696 Judiciary on H.B. No. 97

The purpose of this bill, as amended herein, is to grant emancipated minors, fourteen years of age or older, the legal capacity to consent to medical, surgical, and dental care and services.

The present law allows a minor fourteen years of age or older to legally consent to medical care and services if the minor alleges that she is pregnant or that he or she professes to be afflicted with a venereal disease. This bill would repeal the present law and allow an emancipated minor to give legal consent to certain medical, surgical or dental care. Testimony before your Committee indicates that many minors between the ages of fourteen and nineteen are in need of medical, surgical, and dental care, but may be unable to receive such treatment due to nonconsent of the legal parents or guardians. This bill, in its amended form as **H. B. No. 97, H. D. 1**, would restrict the ability of a minor to give legal consent to such health care only if the minor were emancipated. While basically concurring with the findings of the Committee on Public Health, Youth and General Welfare, as reported in **STAND. COM. REP. NO. 175**, that the bill should not be construed as relieving parents of all responsibilities and care for their adolescent children, nevertheless, your Committee is of the opinion that all minors age fourteen or older, and not merely the emancipated minors, should be given access to medical care if that minor professes to be pregnant or afflicted with a venereal disease. Accordingly, your Committee upon consideration of **H. B. No. 97, H. D. 1** recommends that it be amended in the form attached hereto as **H. B. No. 97, H. D. 2**.

Other amendments recommended by your Committee are as follows:

1. page 4, lines 3-7. This sentence has been worded to clarify its meaning.

2. page 4, lines 7-9. This sentence has been amended to make the parents of a minor or emancipated minor in need of such care liable for the costs of such treatment.

Your Committee on Judiciary is in accord with **H. B. No. 97, H. D. 1**, as amended herein, and recommends its passage on Third Reading in the form attached hereto as **H. B. No. 97, H. D. 2**.

Signed by all members of the Committee.

SCRep. 697 Finance on **H.B. No. 1235**

The purpose of this bill is to exempt non-resident certificated employees of the department of education from the nonresident tuition differential at the University of Hawaii.

Under the present law, university employees, military personnel stationed in Hawaii and their dependents are accorded such exemption. In reporting hereon, your Committee on Higher Education, to which this bill was initially referred, stated in **Stand. Com. Rep. No. 435**:

“Your Committee feels that this bill would be in keeping with the policy of the department of education to encourage the professional improvement of their teachers.”

Section 1 of the bill covers an amendment of the “third” sentence of the second paragraph of Section 304-4. By inadvertence and mistake the third sentence instead of the fourth sentence was cited. Your Committee has, therefore, amended the bill to correctly reflect the amendment to cover the fourth sentence instead of the third.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 1235**, as amended herein, and recommends that it pass third reading in the form attached hereto as **H. B. No. 1235, H. D. 1**.

Signed by all members of the Committee.

SCRep. 698 Transportation on **H.R. No. 331**

The purpose of this resolution is to request the State Immigration Service Center and the Visitor’s Information Program to continue the demonstration program at the airport to assist foreign visitors and immigrants until June 30, 1972. This program initiated on January 18, 1971 has been instituted on a demonstrational basis, and is expected to terminate on April 18, 1971. Initial data indicates that there is a real need for this personalized service. Your Committee, however, feels that the information is not sufficient to reach any firm conclusion which is necessary before a permanent program can be recommended.

Your Committee concurs with the intent and purpose of **H. R. No. 331**, and recommends its referral to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 699 Agriculture on **H.R. No. 74**

The purpose of this resolution is to request that the College of Tropical Agriculture, University of Hawaii, open an agricultural satellite station in the Ninole-Honohina area of North Hilo to further the diversified agriculture program for economic development and for providing work for the elderly receiving small pensions.

The Ninole-Honohina area of North Hilo is rather isolated from other agricultural areas and at times it is rather inconvenient for farmers to get advice on agriculture. Most of the residents are retired sugar plantation employees who are living only on small pensions or running small farms. The opening of a satellite station would utilize the available supply of elderly people on small pensions who can still work productively.

Your Committee on Agriculture is in accord with the intent and purpose of **H. R. No. 74** and recommends its referral to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 700 Public Employment on **H.R. No. 229**

The purpose of this resolution is to request the personnel directors of the State and counties to comply with the Fair Labor Standards Act and state laws pertaining to hours of work of public employees and to promptly pay any claims filed by the federal government when violations of the Fair Labor Standards Act are discovered.

The Fair Labor Standards Act now covers State and county employees working in schools and institutions. Federal wage and hours investigators have found many violations in both schools and hospitals. Where the facts have warranted, the investigators have ordered the payment of back pay to the employees involved. Unfortunately, the government has been very slow to pay these claims and has put many obstacles in the way

of the workers receiving the money due them under this federal law. Some claims have been pending and unpaid for over a year.

Your Committee concurs with the purpose of **H. R. No. 229** and recommends its referral to the Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives.

Signed by all members of the Committee except Iha and Yim.

SCRep. 701 Hawaiian Homes on S.B. No. 896

The purpose of this bill is to create a Hawaiian Farm and Commercial loan fund which shall be made available for loans and provided in the Hawaiian Homes Commission Act of 1920, as amended, and for developing and establishing business and mercantile activities to those eligible to be lessees under the said Act.

The original farm loan was available only for loans to lessees as provided in the Hawaiian Homes Commission Act of 1920, as amended, and shall not be expended for any other purpose.

The amendment proposes to allow the Department to expand its farm loan program to include commercial loans.

Your Committee on Hawaiian Homes is in accord with the intent and purpose of **Senate Bill No. 896, S. D. 1** and recommends its passage on second reading and that it be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 702 Transportation on H.C.R. No. 86

The purpose of this concurrent resolution is to request the State Immigration Service Center and the Visitor's Information Program to continue the demonstration program at the airport to assist foreign visitors and immigrants until June 30, 1972. This program initiated on January 18, 1971 has been instituted on a demonstrational basis, and is expected to terminate on April 18, 1971. Initial data indicates that there is a real need for this personalized service. Your Committee, however, feels that the information is not sufficient to reach any firm conclusion which is necessary before a permanent program can be recommended.

Your Committee concurs with the intent and purpose of **H. C. R. No. 86**, and recommends its referral to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 703 Judiciary on H.B. No. 50

The purpose of this bill is to add a new section to Chapter 52, Hawaii Revised States, which would provide continuity to police investigations from one county jurisdiction to another. The bill allows enforcement powers to police chiefs outside their own county if it is required in pursuit of an investigation which commenced in their county and also if the concurrence of the chief in whose county the power is sought to be exercised is first obtained.

Your Committee is in accord with the intent and purpose of **H. B. No. 50** and recommends its passage on Third Reading.

Signed by all members of the Committee.

SCRep. 704 Judiciary on H.B. No. 68

The purpose of this bill is to require any business engaged in towing vehicles to provide adequate notification to the police department in order to facilitate the location of the vehicle by the owner.

At present, owners of vehicles which have been towed away often report to the police department that their vehicles have been stolen, thereby causing considerable inconvenience. This bill would ease the burden on the police department by requiring towing businesses to notify the police department of towed vehicles, thereby facilitating the location of the vehicle by the owner.

Your Committee, upon consideration of **H. B. No. 68**, recommends that it be amended by inserting the words "of the towing business" between the words "owner" and "or" on line 10 of page 1. Such an amendment would serve to clarify the meaning of the sentence.

Your Committee is in accord with the intent and purpose of **H. B. No. 68**, as amended herein, and recommends its passage on Third Reading in the form attached hereto as **H. B. No. 68, H. D. 1**.

Signed by all members of the Committee.

SCRep. 705 Judiciary on H.B. No. 1242

The purpose of this bill is to prohibit an unlicensed agent of an out-of-state principal or local liquor wholesalers from offering or giving premiums or free goods of any nature as an inducement in liquor sales; and to make it unlawful for a licensee to solicit or accept premiums or free goods as a condition of his buying liquor from a manufacturer or wholesaler.

Your Committee concurs with the findings and conclusions of your Joint Select Committee as expressed in **Standing Committee Report No. 623**.

Your Committee is in accord with the intent and purpose of **H. B. No. 1242** and recommends its passage on Third Reading.

Signed by all members of the Committee except Representative Kimura.

SCRep. 706 Education on H.B. No. 667

The purpose of this bill is to provide funds for a pilot program for therapeutic education of exceptional adolescents and to encourage joint public and private efforts for that purpose.

Your Committee is in accord with the intent and purpose of **H. B. No. 667** and recommends its passage on second reading and its referral to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 707 Lands on H.B. No. 1498

The purpose of this bill is to ensure that a bidder for a land license involving forestry products has the financial ability and the competence to perform the work intended.

The bill provides that any prospective bidder at a public auction for a land license involving forestry products shall not less than six days before such auction, give written notice of his intention to bid. The officer charged with the auction, to determine the prospective bidder's financial ability to perform the work intended and of his experience and competence in performing similar work, may require the completion of a questionnaire under oath. Upon reading the answers to the questionnaire, the officer may elect not

to consider any bid offered by said bidder. All questionnaires are to be confidential and to be returned after having served their purpose. Violation of the confidentiality of the questionnaire may result in a fine of not more than \$250.

Your Committee on Lands is in accord with the intent and purpose of **H. B. No. 1498** 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. 708 Finance on H.B. No. 1518

The purpose of this bill is to amend chapter 581, Hawaii Revised Statutes, relating to the commission on children and youth, to meet the modern day challenge of providing a structure through which dialogue and action can occur between young adults and the so called "establishment." It also provides appropriations for three additional positions and seed money, conditional on the availability of federal funds, to effectuate the purpose of this bill.

Your Committee is of the belief that the commission on children and youth could become an avenue of youth participation. The very nature of the commission, being able to develop programs, review legislation, and make recommendations to administrative departments, would greatly enhance young adult participation in the decision-making processes that could well have a significant effect on their lives. It would also serve as a positive, constructive channel for youthful energy, which for the most part has not been tapped.

Your Committee upon consideration of this bill has amended it to conform to correct statutory language and proper ramseyer method. Your Committee has further amended the bill by increasing the amounts of the appropriations to \$24,000 for additional staffing and \$100,000 for seed money to conform to the biennial budgeting system that is being incorporated by the State of Hawaii.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 1518, H. D. 1**, as amended herein and recommends its passage on third reading in the form attached hereto as **H. B. No. 1518, H. D. 2**.

Signed by all members of the Committee.

SCRep. 709 Lands on H.R. No. 321

The purpose of this resolution, as amended, is to request the Department of Land and Natural Resources not to renew Revocable Permit No. 2407, which leases a parcel of State-owned land to the American Legion, and to lease this parcel of land to the City and County of Honolulu at no charge for the development of a mini-park for the McCully-Moilili area.

The McCully-Moilili area, one of the most densely populated areas on Oahu, is in dire need of a park or even a mini-park. A State-owned 8,100 square foot parcel, now covered under Revocable Permit No. 2407 and leased to the American Legion, would be an ideal location for an open space recreational facility for the McCully-Moilili area.

As presently worded, this resolution requests the Department of Land and Natural Resources to develop a mini-park on the said parcel. Your Committee believes that the City and County of Honolulu is the more appropriate agency to develop the mini-park and has therefore amended this bill to request the Department of Land and Natural Resources to lease the said parcel to the City and County of Honolulu at no charge for the development of a mini-park.

Your Committee on Lands concurs with the purpose of **H. R. No. 321**, as amended herein, and recommends its referral to the Committee on Finance in the form attached hereto as **H. R. No. 321, H. D. 1.**

Signed by all members of the Committee.

SCRep. 710 Lands on H.B. No. 941

The purpose of this bill is to require that a public hearing be held whenever capital improvements are proposed in a conservation zone.

Your Committee recognizes the value of public participation in decisions involving the use of conservation lands. Holding public hearings in cases involving capital improvements would enhance public awareness and confidence in the decision-making process and would provide added protection for conservation lands.

Your Committee has amended the bill to allow such hearings to be conducted by the Chairman of the Board of Land and Natural Resources or by a master designated by the Board, in place of the full Board. The purpose of this amendment is to minimize the expense and burden of the task required of the Board, since every hearing must be held in the county in which the proposed improvement would be located. The bill has also been amended to except improvements for public water supply purposes from the requirement of a public hearing.

Your Committee on Lands is in accord with the intent and purpose of **H. B. No. 941**, as amended herein, and recommends its passage on second reading and further recommends that it be placed on the calendar for third reading in the form attached hereto as **H. B. No. 941, H. D. 1.**

Signed by all members of the Committee.

SCRep. 711 Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives on H.B. No. 843

The purpose of this bill is to allow the fire chief, with the approval of the Mayor, to reduce the maximum number of hours of work for firefighting members who are required to work on a schedule similar to that of other public employees. Under this proposal such firemen will be placed on parity with other governmental employees and will be entitled to overtime after an 8 hour day or 40 hour week instead of 63 hour week of a regular fireman.

To accomplish the purpose a proviso was added to Section 80-4(d) (1) of the Hawaii Revised Statutes. Upon consideration of the matter your Committee finds that the language of the existing law was incorrectly worded in the bill. Accordingly, **H. B. No. 843** was amended by inserting the correct wording.

Your Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives is in accord with the intent and purpose of **H. B. No. 843**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 843, H. D. 1**, and that it be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 712 Finance on H.B. No. 504

The purpose of this bill is to extend authorization for the remission of real property taxes in cases of certain disasters to include "high winds of hurricane or tornado force."

Presently, Section 246-54, which this bill amends, provides that the tax assessor and tax collector of a district are authorized to remit taxes due on real property which is damaged or destroyed as the result of tidal wave, earthquake, volcanic eruption, or flood. This bill would include wind damage, as aforesaid, to the list of disaster.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 504** and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 713 Finance on H.B. No. 726

The purpose of this bill is to appropriate funds for the planning and construction of bikeways on Oahu.

According to preliminary information, bikeways and bike paths can satisfy urgent recreational and utilitarian needs. No cost estimates for such improvements are available presently; however, initial studies indicate that preliminary planning for the establishment of bikeways on Oahu will cost \$25,000. Accordingly, your Committee has amended the amount of the appropriation.

Your Committee is in accord with the intent and purpose of **H. B. No. 726**, as amended herein, and recommends that it pass second reading in the form attached hereto as **H. B. No. 726, H. D. 1**, and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 714 Finance on H.B. No. 1485

The purpose of this bill is to provide for the acquisition of land suitable for access to and transit along shorelines and waters under State jurisdiction.

It is evident to your Committee that miles of shorelines and waters under the jurisdiction of the State are presently inaccessible to the public due to the absence of rights-of-

way, and that such absence is a contributing factor to mounting acts of hostility against private shoreline properties. With the population of the islands ever-increasing, presently accessible beach and shoreline areas remain, nonetheless, fixed. Some would go so far as to argue that the continued absence of such public access constitutes an infringement upon the fundamental right of free movement in public space and of access to and use of the sea.

This bill, in Section 3, establishes a criteria for public right-of-way at a maximum of 500 yards between each; in Section 4, enunciates that the right of access includes the right of transit; and, in Section 5, defines "transit" along the shoreline as existing along the upper reaches of the wash of waves.

Your Committee amended Section 2 of the bill by inserting the sum of \$100,000 out of general revenues for the purpose of providing for the acquisition of lands for public rights-of-way hereunder.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 1485**, as amended herein, and recommends that it pass second reading in the form attached hereto as **H. B. No. 1485, H. D. 1**, and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 715 Finance on H.B. No. 1315

The purposes of this bill are to (1) reduce the general excise tax upon receipts by producers of sugar of so-called "compliance payments" from 4% to 1/2 of 1%, and (2) where such payments are disbursed by one producer to another, taxing the person to whom it is actually disbursed.

The former purpose is achieved by adding a new subsection to section 237-13, relating to imposition of the tax; the latter by repealing subsection 237-24(15), relating to amounts not taxable, and providing for imposition of the tax under the new section as aforesaid.

Under present laws, gross income of producers of sugar are taxed at 1/2 of 1% under the producing tax rate. Sugar processors are subject to the tax at the 1/2 of 1% rate applicable to manufacturing activities on their gross income. But gross income from sugar

“compliance” or benefit payments are subject to the tax at 4%, the same rate as is applicable on processed sugar or other goods sold for use or consumption. Also under existing law, a paragraph is included in the section granting tax exemptions so that federal benefit payments are taxed only once, on the ultimate receiver of the payments.

So-called “benefit payments”, which are actually “conditional compliance payments” under the federal sugar act, are made to a producer, or a processor who is also a producer, at prescribed rates for compliance with the provisions of the Sugar Act. Through a system of quotas and payments, financed by a federal processing tax upon manufactured sugar, the Congress has sought to protect and maintain the welfare of those engaged in the domestic sugar producing industry, and to provide consumers with adequate supplies of sugar at reasonable prices. To insure a reasonable return from their sugar cane crop to those producers who comply with federal laws pertaining to sugar produced from permitted acreages, payments are authorized on sugar cane marketed and processed.

Sugar act payments are a part of such returns from sugar cane crop. Under the Sugar Act, such payments are authorized only on sugar cane marketed and processed, and are as much a part of the returns from the sale of crop as are the proceeds received under cane purchase contracts. This additional income which producers receive from such payments could have been provided by Congress through higher prices for sugar, but that would be inconsistent with the purpose to protect the interests of consumers. The Congress sought to balance the interest of consumers and producers by providing a portion of the producer’s income in the form of compliance payments.

It is reasonable to conclude that the Legislature, when the present provision were enacted, intended to include compliance payments as a part of the proceeds taxable under the provisions imposing the tax on producers and/or processors. However, because of confusion in interpretation of the law, compliance payments have been taxed at 4%, rather than the sugar processing or producing rate of 1/2 of 1%. So long as income from the producing or processing of sugar is taxed at the 1/2 of 1% rate, the law should be clarified that the same rate applies on all gross proceeds from the same activities.

While having no specific recommendation hereupon, the director of taxation does admit that it is difficult to support the proposition that the mere growing of sugar (as distinguished from its sale) can create “proceeds” such that the receipt of compliance payments can be considered to constitute income from “other business”, which, under present law, is taxable at 4%.

Basically, then, for the reason that the Legislature has heretofore lowered the excise tax rate upon sugar processing or producing activities, and for the very reason of compliance payments themselves, your Committee is satisfied that such payments should also be taxed at the lower rate.

Your Committee has amended the bill as to accepted drafting style, leaving to the revisor of statutes designation of sections rather than reciting it.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 1315**, as amended herein, and recommends that it pass second reading in the form attached hereto as **H. B. No. 1315, H. D. 1**, and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 716 Finance on H.B. No. 1143

The purpose of this bill is to appropriate \$75,000 to continue the planning, demonstration, and evaluation of communication networks utilization to interconnect institutions of higher education in the Pacific basin.

Your Committee on Higher Education, to which this bill was initially referred, has reported hereupon in **Stand. Com. Rep. No. 338**. Having received and considered essentially the same testimony thereon, we concur with the findings and conclusions therein and hereby incorporate the same herein by reference.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 1143** and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 717 Judiciary on **H.B. No. 433**

The purpose of this bill is to amend the workmen's compensation law to limit the basis on which a supersedeas or stay of decision in regard to payments may be granted by the appeals board or by the Supreme Court.

The present law states that an appeal for a workmen's compensation decision shall not act to hold the payment of compensation in abeyance during the period a case is on appeal unless the appellate board or the court so orders.

This bill would specifically prohibit the granting of a stay order based solely on the lack of financial ability of the injured worker to repay compensation received in the event there is a reversal of a decision on appeal. Your Committee feels that a stay should be based upon the legal merits of the case and not upon a litigant's financial condition.

As originally drafted this bill also limited the authority of the appellate board on the Supreme Court to grant stays to only those cases where there is a showing of compelling grounds for the granting of the stay or where there would be substantial injustice to a party if it were not allowed. Upon reflection, your Committee feels that it is unwise to qualify the administrative or judicial prerogative in this regard, and that the interests of justice will be best served by leaving such a decision to the discretion of the appellate board on the Supreme Court, to be exercised or not on the legal merits of each case.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 433**, as amended herein and recommends its passage on Third Reading in the form attached hereto as **H. B. No. 433, H. D. 1**.

Signed by all members of the Committee.

SCRep. 718 Judiciary on **H.B. No. 642**

The purpose of this bill is to require any slow moving vehicle or equipment designed for use at a maximum speed of less than twenty-five miles per hour be equipped with a standardized emblem when being operated on state highways.

On today's high speed highways designed for high speed automobiles, a slow moving vehicle has proven to be a hazard. It is the cause of many accidents, particularly rear-

end collisions, resulting in heavy losses to persons and property. Contrary to expectations, most of these accidents do not occur on hilly or winding roads, at night, or during dark and cloudy days. A landmark study conducted by Ohio State University in 1961-62 made many startling findings. In summary, collisions with slow moving vehicles are a year round problem. They occur mostly on good open highways where the motorist's view is unobstructed, during daylight hours with good weather conditions.

Your Committee concurs with the findings and conclusions of the Committee on Transportation as expressed in **STAND. COM. REP. NO. 111**.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 642, H. D. 1** and recommends its passage on Third Reading.

Signed by all members of the Committee.

SCRep. 719 Judiciary on **H.B. No. 1033**

The purpose of this bill is to amend the section of the unemployment compensation law on eligibility for benefits to provide that a claimant who has registered for employment and continues to report at an employment service office shall be presumed to be available for work, unless there is substantial evidence to the contrary.

One of the eligibility requirements under section 383-29, Hawaii Revised Statutes, for an unemployment compensation claimant is that he be "able and available" for work. The requirement is imposed to measure the claimant's present attachment to the work force since compensation is not payable to someone who has withdrawn from the labor market. While ability for work usually is relatively easy to determine, the determination of availability for work is often difficult because of the subjective factors involved. A practice of the unemployment insurance division has been to have the claimant demonstrate his "availability" by submitting some evidence of an independent search for work on his part.

This bill proposes to amend the law to provide that a claimant who has met one of the other eligibility requirements, that of registering for work and reporting as required at an employment service office, shall be presumed to be available for work unless there

is substantial evidence to the contrary. It would eliminate the practice of having the claimant submit evidence of an active, independent search for employment to demonstrate his availability.

The foregoing practice does not serve as a reliable test of a claimant's availability for work and is often an open invitation to dishonesty. A list of employers on whom calls have been made is easily fabricated and the unemployment insurance division has no way to verify its accuracy unless employers maintain lists of people who have contacted them for employment. A claimant whose past attachment to the work force is proved by his past earnings record and who registers for employment to indicate his willingness to accept employment should not be compelled to go through what is often a meaningless exercise in order to collect benefits. Registration for employment and reporting at an employment service office should serve as sufficient evidence of a claimant's present attachment to the labor market, unless there is other evidence that indicates he is not.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 1033** and recommends its passage on Third Reading.

Signed by all members of the Committee.

SCRep. 720 Judiciary on **H.B. No. 1034**

The purpose of this bill is to amend the unemployment compensation law to exclude service performed by a real estate salesman from the definition of "employment" in said law if such service is compensated solely through commissions.

Real estate salesmen are presently covered by the unemployment compensation law and their employers are required to make contributions to the unemployment compensation trust fund. As a practical matter, it is virtually impossible for real estate salesmen who are compensated through commissions to qualify for unemployment benefits even when they make no sales and receive no compensation. The definition of "unemployment" in the law requires that an individual "perform no services" and "receive no wages" in order to be "unemployed." Salesmen in the real estate industry who are compensated solely through commissions seldom if ever meet the first requirement of not engaging in any selling activity during a week.

Your Committee agrees that it would be equitable to exclude real estate salesmen being compensated through commissions from coverage under the Hawaii Employment Security Law. Where it is virtually impossible for a group of individuals to collect benefits thereunder, it would be unfair to compel their employers to make contributions on their behalf to the benefit trust fund.

Your Committee is in accord with the intent and purpose of **H. B. No. 1034** and recommends its passage on Third Reading.

Signed by all members of the Committee.

SCRep. 721 Judiciary on **H.B. No. 1046**

The purpose of this bill is to establish regulations relating to the cancellation and renewal of automobile insurance policies. Chapter 431, Hawaii Revised Statutes, would be amended by repealing section 431-448.1 and adding a new section to be appropriately designated.

Under existing statutes, which relate to renewal only, an automobile insurance policy can be terminated only after notification of the intent to terminate thirty days prior to the date of termination. Under Section 431-448.1, it should be reiterated, there is no provision which deals with cancellation of policies.

H. B. No. 1046 would allow cancellation of a policy which has been in effect for more than sixty days only on the grounds of non-payment of premiums or the suspension or revocation of the insured's license. In the event that such grounds do exist, cancellation would be further subject to the regulation that a written notice of cancellation must be mailed to the insured at least twenty days prior to the effective date of cancellation, or in the case where the reason for cancellation is non-payment, that a grace period of ten days for notification is allowed by the insurer. All written notices, furthermore shall contain a statement of the reason or reasons for cancellation.

House Draft No. 1 changed the existing law pertaining to regulation of renewal by providing that a notice of intention not to renew did not have to state the reason therefore if the insurer has manifested in any way its willingness to renew or if the insured fails to pay the premiums. Your Committee has amended **House Draft No. 1** in this regard

because it feels that an insured is entitled to know the reason for non-renewal in every circumstance, and has therefore deleted these provisions.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 1046, H. D. 1** as amended herein and recommends its passage on Third Reading in the form attached hereto as **H. B. No. 1046, H.D. 2.**

Signed by all members of the Committee.

SCRep. 722 Judiciary on H.B. No. 1074

The purpose of this bill is to simplify the procedure for admission or withdrawal of a limited partner in a limited partnership which holds a liquor license, and to give the liquor commission increased authority in the regulation of such limited partnership.

This bill adds a new paragraph providing that where a license is held by a limited partnership the admission or withdrawal of a limited partner shall not be deemed a transfer of the license held by the partnership, thereby eliminating necessity of a public hearing and publishing notice of the hearing prior to the admission of a limited partner. However, the licensee must notify the liquor commission in writing within 30 days of the change in the partnership. If the commission finds a limited partner to be an unfit or improper person to hold a license in his own right, the commission may revoke the license or suspend the license until the unfit person is removed.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 1074** and recommends its passage on Third Reading.

Signed by all members of the Committee.

SCRep. 723 Judiciary on H.B. No. 1077

The purpose of this bill is to prohibit the alteration, such as by addition of water or other substances, the quality of the original contents of a liquor container.

The present law does not provide penalties for persons who alter the quality of the original contents of a liquor container, nor does it prohibit a licensee to have on his premises a liquor container, the contents of which have

been altered. This law would create such prohibitions, and thereby assist in preventing the sale of adulterated liquor.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 1077** and recommends its passage on Third Reading.

Signed by all members of the Committee.

SCRep. 724 Judiciary on H.B. No. 1079

The purpose of this bill is to prohibit a liquor manufacturer or a wholesale liquor dealer from obtaining control, directly or indirectly, of retail liquor licenses other than in his own name.

Your Committee concurs with the findings and conclusions of the Joint Select Committee of Kauai, Maui, Oahu and Hawaii as expressed in **STAND. COM. REP. NO. 620.**

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 1079** and recommends its passage on Third Reading.

Signed by all members of the Committee.

SCRep. 725 Judiciary on H.B. No. 1083

The purpose of this bill is to correct errors or inconsistencies which have been overlooked in the past or to clarify existing law. These amendments are not substantive changes.

Your Committee concurs with the findings and conclusions of your Joint Select Committee as expressed in **Joint Select Committee Report No. 622.**

Your Committee is in accord with the intent and purpose of **H. B. No. 1083** and recommends its passage on Third Reading.

Signed by all members of the Committee.

SCRep. 726 Judiciary on H.B. No. 1329

The purpose of this bill is to amend chapter 145, Hawaii Revised Statutes, by adding a new section entitled rules and regulations so as to substantially improve the enforcement of the dealers licensing law.

Your Committee recognizes that presently, enforcement of the existing statute

relating to the dealers licensing law is being seriously hampered by lack of specific investigatory powers by the department of agriculture. Greater flexibility is needed to implement this law through the promulgation of rules and regulations which this bill provides for.

The dynamic nature of marketing and distribution of agricultural products necessitates frequent changes in regulatory programs to minimize unfair trade practices and violations. This bill provides sufficient latitude to maximize the efficient marketing of agricultural products.

Your Committee is in accord with the intent and purpose of **H. B. No. 1329, H. D. 1** and recommends its passage on Third Reading.

Signed by all members of the Committee.

SCRep. 727 Judiciary on **H.B. No. 1362**

The purpose of this bill is to conform the requirement for the displaying of the motor vehicle certificate of registration on out-of-state vehicles with the requirement for Hawaii-licensed vehicles.

This amendment will affect only those vehicles displaying out-of-state license plates. It changes the requirement of displaying a motor vehicle certificate of registration on the windshield. The certificate of registration would be placed in the driver's compartment, conforming with the requirement for Hawaii-licensed vehicles, and a decal placed at the rear bumper to afford visible evidence of registration.

This amendment will speed up registration of out-of-state motor vehicles. Increased costs are not anticipated. Freeing the windshield of any obstruction to drivers' vision is essential for safety.

Your Committee is in accord with the intent and purpose of **H. B. No. 1362** and recommends its passage on Third Reading.

Signed by all members of the Committee.

SCRep. 728 Judiciary on **H.B. No. 1623**

The purpose of this bill is to amend the section of the workmen's compensation law covering the enforcement of awards to permit the director of labor and industrial relations

to petition the circuit court for a judgment on an award on behalf of claimants. and to permit the director or employee to ask the Court for a discretionary fine of from 1% to 5% of the judgment, said fine to be paid to the employee, where the employer does not take an appeal and does not commence making payments within ten days after the appeal period has expired or where the employer does take an appeal but the appellate board does not order a supersedeas or stay and the employer does not commence making payments within ten days after such action of the appellate board.

Section 386-91 of Hawaii Revised Statutes now allows any party in interest to enforce a workmen's compensation award made by the division of workmen's compensation or the labor and industrial relations appeals board by requesting the circuit court to render a judgment based upon such award. The claimant may then enforce the judgment like any other court judgment.

This bill proposes to allow the director of labor and industrial relations as well as claimants to file such petitions. Claimants are usually unrepresented by lawyers and without sufficient resources to file such actions. The proposal would provide all claimants with necessary assistance to enforce their awards against recalcitrant employers.

As originally drafted, this bill provided that in lieu of the aforementioned fines the director could bring an action to compel the employer to cease doing any business. Your Committee feels that a system of fines provides a better sanction because such a sanction accrues to the benefit of the employee and therefore has amended the original bill to so provide.

Your Committee is in accord with the intent and purpose of **H. B. No. 1623**, as amended herein and recommends its passage on Third Reading in the form attached hereto as **H. B. No. 1623, H. D. 1**.

Signed by all members of the Committee.

SCRep. 729 Judiciary on **H.B. No. 70**

The purpose of this Act is to give the Supreme Court of the State of Hawaii original and exclusive jurisdiction to make determinations of contested elections.

Your Committee is in accord with the intent and purpose of **H. B. No. 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. 730 Judiciary on H.B. No. 1372

The purpose of this bill, as amended, is to repeal section 70-1, Hawaii Revised Statutes, which defines the City of Honolulu for statistical purposes as that area between Maunaloa and Moanalua.

Your Committee is of the opinion that such a definition has outlived whatever statistical usefulness it may have had and presently serves no real purpose.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 1372, H. D. 1** and recommends its passage on Third Reading.

Signed by all members of the Committee.

SCRep. 731 Judiciary on H.B. No. 1568

The purpose of this bill is to exempt certain labor unions, welfare and pension plans from the registration requirement of the State law, where such plans are regulated by Public Law 85-836.

Present Hawaii law provides comprehensive regulation and reporting requirements for labor union welfare and pension plans. Detailed reporting of such plans is also necessary under P.L. 85-836. Because of this, administrations of such plans are compelled to provide both the State and the Federal government with detailed sets of reports. This bill would permit the administrators to submit to the State the report required by the Federal government in lieu of the report required by the State.

This bill would further exempt such plans from the regulation by the State of death benefits and from State deposit, use, investment and benefit restrictions.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 1568** and recommends its passage on Third Reading.

Signed by all members of the Committee.

SCRep. 732 Judiciary on H.B. No. 892

The purpose of this bill is to allow a natural father to obtain custody and control of an illegitimate child against all but the fit mother unless the Family Court determines that such custody and control would not be in the best interests of the child.

Your Committee upon consideration of **H. B. No. 892** recommends that it be amended by deleting the words "is entitled to its" in line 3 of page 3 thereof and substituting in lieu thereof the words "shall be given the same consideration as any other applicant for the".

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 892**, as amended herein and recommends its passage on Third Reading in the form attached hereto as **H. B. No. 892, H. D. 1**.

Signed by all members of the Committee.

SCRep. 733 Finance on H.B. No. 455

The purpose of this bill is to establish within the Hawaii Foundation for History and Humanities a full-time director and secretary for the purpose of performing an ethnic studies program.

The program established shall be responsible for recording Hawaii's past from information in the minds of our elders, subsidizing studies of our major ethnic groups, and housing the same in a centralized repository.

Your Committee on Federal, State and County Relations to which this bill was initially referred, has extensively reported upon it in **Stand. Com. Rep. No. 485**. We have received and considered substantially the same testimony in our consideration hereof, and we concur in the findings and conclusions thereof, which, including the amendments recommended thereto, are incorporated herein by reference.

The appropriations recommended are out of general revenues in the sum of \$100,000 for the purpose of this Act and \$25,000 for planning and constructing of the centralized repository.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 455**,

H. D. 1, and recommends that it pass third reading.

Signed by all members of the Committee except Representative Wong.

SCRep. 734 Finance on H.B. No. 640

The purpose of this bill is to improve the quality of education to students in grades K-6 by appropriating funds for additional physical education teachers, educational assistants, and classroom teachers for the ensuing fiscal biennium 1971-73 to provide for physical fitness of students and preparation time for teachers.

The total number of positions funded is 62, for which there is a recommended appropriation of \$611,326.

Physical education classes coupled with preparation time has proven a successful concept since its recent origin. The idea is that regular classroom teachers are relieved by trained physical education teachers who conduct the P.E. classes. Concurrent with providing preparation time for the classroom teachers, physical education training, which provides children with essential motoric skills, is administered by teachers specifically qualified.

To this extent, then, this bill is designed to achieve the purposes of **H. B. Nos. 729, and 178 (H. D. 1)**, also; and to the extent they are not inconsistent herewith, **Stand. Com. Rep. Nos. 439, and 164** reporting thereupon, respectively, are incorporated herein by reference.

Thus, the sums hereby appropriated shall be expended (1) to **continue** (only) the demonstration project of developmental physical education in conjunction with the Model Cities program, (2) for physical fitness of students generally in grades K-6 throughout the state, and (3) to provide for preparation and duty-free lunch periods, as aforesaid. The educational assistants hereby hired are intended to be assigned schools on a priority basis, first to those schools which have longest used the fourth, fifth, and sixth follow-up to the 3 on 2 program for K-3.

Your Committee amended the bill by inserting the sums and positions hereinabove suggested. Also, because we are given to understand that the department prefers to differentiate between "aides" in the clerical sense,

and "assistants" in the instructional sense (see **Stand. Com. Rep. No. 164** reporting on **H. B. No. 178, H. D. 1**), we have amended the title of the bill by simply substituting the word "other" for "aide" in the context of positions.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 640, H. D. 1**, as amended herein, and recommends that it pass third reading in the form attached hereto as **H. B. No. 640, H. D. 2**.

Signed by all members of the Committee except Representative Wong.

SCRep. 735 (Majority) Finance on H.B. No. 791

The purpose of this bill is to make an appropriation to the Hawaii Office of Economic Opportunity for the purpose of providing grants-in-aid to low-income groups for establishing small economic enterprises.

This bill proposes to demonstrate a new type of economic assistance to marginal or seasonally low-income individuals or families by authorizing the Hawaii Office of Economic Opportunity to make grants to individuals, families or other groups who wish to establish small economic enterprises to supplement their low incomes.

Approximately 20 per cent of the families of the State of Hawaii earn less than \$4,200 per year, the guidelines used by the Office of Economic Opportunity to define poverty. Many of these 20 per cent hold jobs, either full-time or seasonal, but their earnings are inadequate to meet expenses. Many low wage earners enter a cycle of minimal self sufficiency during periods of employment, but becoming welfare recipients during periods of temporary layoff or seasonal unemployment. The small grants authorized under this bill would enable low wage earners to go into modest business ventures which will supplement their inadequate incomes and thus enable them to stay off welfare rolls.

Testifying in favor of this bill, Andrew I. T. Chang, Director of the Hawaii Office of Economic Opportunity, stated that economic development programs are the most effective way of getting poor people out of the "poverty cycle". This bill could provide financial assistance for the Community Action Programs for projects such as opihii farming, cattle-hide tanning, neighborhood

transportation cooperatives and pre-school cooperatives.

Of the total amount appropriated, \$5,000 may be expended by the Office of Economic Opportunity for the development and administration of evaluation techniques and program monitoring; and there is a mandate for a report on program evaluation to the Legislature prior to the next session.

Your Committee amended the bill by reducing the sum of the appropriation to \$50,000, and the amount of any one grant to \$7,500.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 791**, as amended herein, and recommends that it pass third reading in the form attached hereto as **H. B. No. 791, H. D. 1.**

Signed by all members of the Committee Representatives Yim, Ajifu and Chong did not concur.

SCRep. 736 Finance on H.B. No. 1218

The purpose of this bill, as amended, is to appropriate from the general revenues for a research management study of the green sea turtle (*chelonia mydas mydas*) in Hawaiian waters.

The bill, as introduced, proposed restrictive legislation concerning this species by adding a new section to chapter 188, Hawaii Revised Statutes, which would have made it unlawful for any person to molest, kill, capture, or possess the green sea turtle or its eggs in any jurisdictional waters. Violation of this section would have been punishable by a fine of not more than \$500 or imprisonment of not more than six months or both.

However, your Committee on Lands concluded that restrictive legislation was not warranted at this time, and amended the bill to provide for a research management study of the green sea turtle, recommending an appropriation of \$40,000 therefor.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 1218, H. D. 1**, and recommends that it pass third reading.

Signed by all members of the Committee.

SCRep. 737 Judiciary on H.C.R. No. 81

The purpose of this Concurrent Resolution is to request the establishment of a citizens' committee to draft a fair campaign practice code for the State of Hawaii.

Your Committee, upon consideration of H.C.R. No. 81, recommends that it be amended in the form attached hereto as **H.C.R. No. 81, H. D. 1**, as follows:

(1) to indicate that it is the general feeling in the community that the expense of political campaigning must be regulated in some manner;

(2) to allow the citizens' committee to also review the existing law relating to restrictions on campaign spending and to propose legislation relating to the setting of such restrictions;

(3) to have the citizens' committee investigate the feasibility of creating a commission to regulate campaign contributions and expenditures;

(4) to allow chairmen of each major political party, and members of the legislature suggested by the Speaker of the House and the President of the Senate, to be members of the citizens' committee, and

(5) to have the draft code and other recommendations submitted to the legislature ten days prior to the convening of the Regular Session, 1972.

Your Committee concurs with the intent and purpose of **H. C. R. No. 81**, as amended herein, and recommends its adoption in the form attached hereto as **H. C. R. No. 81, H. D. 1.**

Signed by all members of the Committee.

SCRep. 738 Legislative Management Informing the House that **Standing Committee Report Nos. 670 to 737** and **Standing Committee Report No. 739**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 739 Finance on H.B. No. 128

The purpose of this bill is to amend chapter 297 by adding thereto a new section granting emergency leave for school person-

nel (including teachers) with pay, not to exceed three days, if the principal determines that a personal emergency exists.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 128** and recommends that it pass third reading.

Signed by all members of the Committee except Representatives Wong and Yim.

SCRep. 740 (Majority) Judiciary on **H.B. No. 796**

The purpose of this bill, as amended, is to provide that any member of the Honolulu Police Department can become a candidate for public office and support, advocate, and aid in his own candidacy.

At present, police officers cannot support, advocate, or aid in the election of a candidate for public office. It is felt that such participation could produce divisiveness, friction, and animosity within the police department due to members having different political viewpoints. Nevertheless, there is no reason why a member of the police department should not be able to become a candidate for office if he first takes a leave of absence without pay. Accordingly, your Committee concurs with the findings and conclusions of the Select Committee of Oahu Representatives as expressed in **STAND. COM. REP. NO. 292**.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 796**, **H. D. 1** and recommends its passage on Third Reading.

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

SCRep. 741 Legislative Management Informing the House that **House Resolution Nos. 349 to 360**, **House Concurrent Resolution No. 89**, **Standing Committee Report Nos. 742 to 759**, **Conference Committee Report No. 1**, **Re: Senate Bill No. 1**, **Senate Draft 2**; **House Draft 1**, **Conference Draft 1**, and **Conference Committee Report No. 2**, **Re: House Bill No. 4**, **House Draft 2**, **Senate Draft 1**, **Conference Draft 1**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 742 Public Health, Youth and General Welfare on **H.R. No. 319**

The purpose of this resolution is to request the Hawaii Venereal Disease Commission, the Department of Education, the Department of Health and the Hawaii Medical Association to establish a comprehensive program to combat venereal disease and to submit their recommendations to the 1972 Session of the State Legislature.

Your Committee on Public Health, Youth and General Welfare concurs with the intent and purpose of **H. R. No. 319** and recommends its referral to the Committee on Finance.

Signed by all members of the Committee except Representative Iha.

SCRep. 743 Public Health, Youth and General Welfare on **H.R. No. 43**

The purpose of this resolution, as amended, is to request the Speaker of the House of Representatives to appoint an interim committee to study the problem of drug abuse in Hawaii.

As presently worded, this resolution requests a legislative hearing on drug abuse. Hearings on the problem of drug abuse were held and your Committee has found the problem is complex enough to require interim committee work. Your Committee has therefore amended this resolution to request the Speaker to appoint an interim committee to study this problem.

Your Committee concurs with the purpose of **H. R. No. 43**, as amended herein, and recommends its adoption in the form attached hereto as **H. R. No. 43**, **H. D. 1**.

Signed by all members of the Committee.

SCRep. 744 Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives on **H.R. No. 207**

The purpose of this resolution, as amended, is to request the Speaker of the House of Representatives to appoint an interim committee to study the problem of solid waste disposal and methods of recycling wastes in Hawaii.

As presently worded, this resolution requests the counties to consider methods of recycling wastes. Your Committee has found that this problem of solid waste disposal and recycling wastes is complex enough to re-

quire interim committee work. Your Committee has therefore amended this resolution to require the Speaker to appoint an interim committee to study the problem of solid waste disposal and methods of recycling wastes.

Your Committee concurs with the purpose of **H. R. No. 207**, as amended herein, and recommends its adoption in the form attached hereto as **H.R. No. 207, H. D. 1**.

Signed by all members of the Committee except Representative de la Cruz.

SCRep. 745 Public Employment on H.R. No. 172

The purpose of this resolution is to request the government offices of the State and the City and County of Honolulu to formulate and implement a staggered work schedule.

In 1969 a study was made by the Department of Transportation to ascertain the impact on traffic operation by staggering the working hours of State and City employees residing in Leeward Oahu and working in Downtown Honolulu. The Department has found from this Leeward Staggered Work Hour Study that the staggering of the work hours of State and City employees could bring about a 7% reduction of the traffic during the peak hours. The Department of Transportation therefore supports the purpose of this resolution.

Your Committee concurs with the purpose of **H. R. No. 172** and recommends its adoption.

Signed by all members of the Committee except Representatives Iha and Yim.

SCRep. 746 Judiciary on H.C.R. No. 29

The purpose of this concurrent resolution, as amended, is to allow members of the auto repair industry the opportunity to regulate themselves and to request the Automotive United Technicians of Oahu to implement a self regulatory program for the auto repair industry.

Your Committee upon consideration of **H. C. R. No. 29, H. D. 1**, recommends that it be further amended in the form attached hereto as **H. C. R. No. 29, H. D. 2**, by inserting the following:

“BE IT FURTHER RESOLVED that the Automotive United Technicians of Oahu be and is hereby requested to submit a written report to the Legislature twenty days prior to the convening of the Regular Session of 1972, which report should include, but not be necessarily limited to: (1) the number of members in Automotive United Technicians of Oahu as of April 1, 1971, October 1, 1971, and January 1, 1972; (2) a description and evaluation of the auto repair training programs undertaken in conjunction with the community college or other educational or training facilities; (3) a detailed description of actions taken to improve customer relationships with members; (4) any other actions taken by the auto repair industry to help eliminate consumer complaints; and (5) other aspects of the self-regulation program.”

Your committee is of the opinion that such a report may be of assistance in determining the effectiveness of self-regulation in the auto repair industry.

Your Committee concurs with the intent and purpose of **H. C. R. No. 29**, as amended herein, and recommends its adoption in the form attached hereto as **H. C. R. No. 29, H. D. 2**.

Signed by all members of the Committee.

SCRep. 747 Transportation on H.R. No. 320

The purpose of this resolution is to request the Director of Transportation to establish standard minimum speed limits on all freeways on the Island of Oahu, and to request the police department to enforce such minimum speed limits.

Our freeways depending on locations are designed for three standard or optimum speeds. The most expeditious flow of traffic is attained when all vehicles travel at approximately the same speed. While it would be impossible to have all vehicles travel at the identical pace, from a traffic engineering standpoint a speed differential of 10 to 15 miles is acceptable. As in the case of a stalled vehicle, a vehicle travelling at a very slow rate not only impedes the flow of traffic, but is also a serious traffic hazard.

At the present time there is only one section of our freeway system that requires a

vehicle to travel at a minimum speed of 40 miles per hour. Motorists traversing from this minimum zone into another section of the freeway often times are confronted with slow moving vehicles and have to take immediate evasive actions to avoid accidents. While the establishment of minimum speeds on our freeway will cause some hardship to individuals who habitually drive slowly, your Committee believes that the traffic safety feature is more important. It is also evident that unless corrective measures are taken to improve the flow of traffic, the capacity of our existing freeway system will soon be unable to accommodate the expected increase in traffic. Your Committee, therefore, finds that minimum speeds on all our freeways would be desirable regulations to be enforced by the police on a regular basis.

Since the various sections of our freeways have different maximum speeds posted, it would be impractical as well as inappropriate to impose a uniform or standard minimum speed limit on all our freeways. For this reason your Committee recommends that the Department of Transportation be requested to establish minimum speed limits that are in consonance with the varying maximum limits instead of a standard minimum limit. Consistent therewith a similar change in the language of the third "Whereas" is recommended.

Upon further consideration of the matter, your Committee feels that to request the police to **strictly** enforce the minimum speed limits may be overly emphasized. As written it could be construed as a directive from the legislature that this violation has priority or is deemed more serious than other violations. It is expected that the police depending upon circumstances of each case will enforce this violation judiciously. Your Committee, therefore, recommends that the word "strictly" be deleted from the title and body of the resolution.

Your Committee concurs with the intent of **H. R. No. 320**, as amended herein, and recommends its adoption in the form attached hereto as **H. R. No. 320, H. D. 1**.

Signed by all members of the Committee.

SCRep. 748 (Majority) Housing and Consumer Protection on **H.R. No. 252**

The purpose of this Resolution is to request a federal investigation of the oppressive

and oligopolistic oil industry operations which may possibly be in violation of provisions of the federal anti-trust statutes.

Your Committee on Housing and Consumer Protection has amended this resolution by modifying certain phrases which may be misleading or erroneous. The reference to the imported oil used in the local refinery has been clarified to indicate that imported oil is the primary, rather than the exclusive, feedstock. The reference to the refinery "supplying" the fuel needs of the state has been changed to "dominating" the fuel needs. Finally, the statement that other oil companies receive "substantially all" of their regular gasoline from this refinery has been amended to "substantial amounts".

Your Committee on Housing and Consumer Protection is in accord with the intent and purpose of **H. R. No. 252**, as amended herein as **H. R. 252, H. D. 1**, and recommends its adoption.

Signed by all members of the Committee Representatives Uechi and Fong Jr. did not concur.

SCRep. 749 (Majority) Housing and Consumer Protection on **H.R. No. 286**

The purpose of this resolution is to establish a five-member investigative group, appointed by the Speaker of the House, to investigate the many-issued question of the price of oil and its derivatives in Hawaii.

The concerns of previous legislatures speak to the pressing nature of resolving this question. **House Resolution 124**, Budget Session of 1968, is the most recent of these expressions of legislative concern. Your Committee feels, however, that further study has to be initiated in order to arrive at an equitable resolution of the problem.

Your Committee on Housing and Consumer Protection is in accord with the intent and purpose of **H. R. No. 286** and recommends its adoption.

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

SCRep. 750 Federal-State-County on **S.C.R. No. 8**

The purpose of this concurrent resolution is to urge the President and Congress of the

United States to permit the Military Selective Service Act of 1967 to expire as scheduled on June 30, 1971 and to institute the necessary steps for the transition to an all-volunteer military by that date or soon thereafter. The President and Congress are also urged to require that any draft provision hereafter enacted be activated only upon joint resolution of Congress and upon Presidential recommendation.

Your Committee concurs with the purpose of **S. C. R. No. 8** and recommends that it be referred to your Committee on Judiciary.

Signed by all members of the Committee except Representatives Fong Jr. and O'Connor.

SCRep. 751 Federal-State-County on H.C.R. No. 31

The purpose of this resolution is to express the legislature's wholehearted support of Representative Spark M. Matsunaga's bill to prevent imprisonment or detention of any United States citizen in any place other than a federal prison or correctional institution following conviction.

Your Committee on Federal, State and County Relations concurs with the purpose of **H. C. R. No. 31** and recommends that it be referred to your Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 752 Federal-State-County on S.B. No. 276

The purposes of this bill are: 1) to transfer the authority of the chiefs of police with respect to approval of certain vehicle equipment to the state highway safety coordinator; 2) to expand the authority to include other vehicle equipment; 3) to enable Hawaii to join the Vehicle Equipment Safety Compact; and 4) to provide a budget for the program.

Your Committee is aware of the relationship between the design and construction of certain automotive equipment and the safe operation of the motor vehicle in which that equipment is installed. This bill would seek to protect the consumer from untested equipment and would require that such equipment be examined, tested and approved prior to its sale in this state. To this end, Section 3 of the bill would amend various sections of Chapter 286 of the Hawaii Revised Statutes. Such

amendment would be in addition to the substantive addition to statutory law under sections 1 and 2 of the bill.

The bill seeks to transfer the authority of the chiefs of police of various counties to the state highway safety coordinator. By this transfer, the bill would provide for a state-wide approval of automotive equipment, the manufacturers of the vehicles being required to pay the expenses of testing of the equipment. Some spot checks of equipment on the shelves may also be necessary and the manufacturers would rightfully pay the cost of this testing.

This bill would also authorize the State of Hawaii to join the Vehicle Equipment Safety Compact, which is presently comprised of 43 states as well as the District of Columbia. With each state represented by a commissioner, the compact seeks to realize the goal of uniformity of law and practice in the regulation of vehicle equipment as well as to encourage and utilize research on vehicle equipment.

Your Committee is aware of the need for highway safety. Cognizant of the relationship between the quality of automotive equipment and the safety of the driver and the passengers in his vehicle, your Committee believes that this bill will afford the residents of this state the type of protection necessary to retard or reduce the increasing rate of automobile accidents and resulting personal injury.

Your Committee on Federal, State and County Relations is in accord with the intent and purpose of **S. B. No. 276, S. D. 1**, and recommends its passage on second reading and its referral to the Committee on Judiciary.

Signed by all members of the Committee except Representative Fong Jr.

SCRep. 753 Lands on S.B. No. 623

The purpose of this bill is to amend various sections of Chapter 6 of the Hawaii Revised Statutes to clarify departmental procedures relating to the state's historic preservation program. In addition to preservation activities, the bill would require the Department of Land and Natural Resources to follow procedures for record keeping, maintenance and review of the historic and archeological values on the sites of any proposed public construction. The bill would further provide

that, prior to any zoning changes effecting historically valuable lands, the staff of the Hawaii Register of Historic Places shall conduct a review of the effect of such zoning changes and shall forward its findings to the Department of Land and Natural Resources to the agency involved for its consideration. Your Committee believes that such clarification of procedures is vital to the protection of the sites and objects of historical value.

Your Committee on Lands is in accord with the intent and purpose of **S. B. No. 623, S. D. 2**, and recommends that it pass second reading and that it be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 754 Lands on S.B. No. 902

The purpose of this bill is to implement Act 137, Session Laws of Hawaii, 1970, by appropriating additional funds for the fiscal biennium 1971-1973 and by easing the restrictive language of portions of Act 137 which has hampered the marine affairs coordinator in carrying out the intent of the Act.

Your Committee on Lands is in accord with the intent and purpose of **S. B. No. 902** and recommends its passage on second reading and its referral to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 755 Judiciary on S.B. No. 125

The purpose of this bill is to amend the Hawaii Workmen's Compensation Law to authorize the director of labor and industrial relations to contract with out-of-state collection agencies for the collection of moneys owed to the special compensation fund by defaulting employers who move away from Hawaii.

The Workmen's compensation law provides that an injured employee shall be paid his compensation benefits from the special compensation fund if his employer fails to pay the compensation awarded. The defaulting employer then becomes obligated to repay the special compensation fund. If the defaulting employer moves out of the state, the collection of repayments then becomes very difficult for the department.

This bill proposes to permit the director of labor and industrial relations to contract on a fee for service basis with out-of-state collection agencies for the collection of required repayments to the special compensation fund from defaulting employers who move away from Hawaii. Your Committee agrees that this would facilitate collection and would help protect the special compensation fund.

Your Committee upon consideration of the bill is of the opinion, however, that the authorized contracts for collection should specifically be contingent fee agreements. This type of agreement is customary with collection agencies and the director would be able to effect collections without the expenditure of large sums of money. Your Committee has therefore amended the bill to authorize the director "to contract, on a contingent fee basis," for the collection of amounts due from employers who move out of the state of Hawaii.

Your Committee is in accord with the intent and purpose of **S. B. No. 125**, as amended herein, and recommends its passage on Second Reading in the form attached hereto as **S. B. No. 125, H. D. 1**, and placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 756 Judiciary on S.B. No. 822

The purpose of this bill is to amend the definition of the term "labor dispute" as is defined in section 377-1(8), Hawaii Revised Statutes.

Section 377-1(8), Hawaii Revised Statutes, provides that "labor dispute" means any controversy between an employer and any of his employees having the formal approval of the majority of his employees in a collective bargaining unit concerning the right or process of details of collective bargaining or the designation of representatives. Any organization with which either the employer or such majority is affiliated may be considered a party to the labor dispute.

According to this definition of a "labor dispute" there are two essential ingredients: (1) the controversy must be between parties who stand in the relationship of employer and employee or employees; (2) the controversy must have the formal approval of the majority of the employees.

Senate Bill No. 822, S. D. 1 seeks to amend section 377-1(8), Hawaii Revised Statutes, by omitting both ingredients from the definition of a "labor dispute" within the meaning of the Hawaii Employment Relations Act. Hence the effect of **S. B. No. 822, S. D. 1** is to broaden the definition of a "labor dispute" by providing that any controversy "regardless of whether the disputants stand in the proximate relations of an employer and employee is a "labor dispute." It also does away with the requirement that the controversy must be approved formally by the majority of the employees.

Senate Bill No. 822, S. D. 1 is taken from section 2(9) of the Labor Management Relations Act, 1947, as amended (Taft-Hartley Act), so that the effect would be to have the Hawaii Employment Relations Act conform with that of the Federal Taft-Hartley Act insofar as the definition of a "labor dispute" is concerned.

Your Committee on Judiciary is in accord with the intent and purpose of **S. B. No. 822, S. D. 1** and recommends its passage on Second Reading and placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 757 Judiciary on S.B. No. 121

The purpose of this bill is to amend the workmen's compensation law by adding a provision to Section 386-92 which would authorize the director of labor and industrial relations to assess a 10% penalty in cases where an employer or his insurance carrier is notified of a work injury, does not deny liability for said injury under the law, and still neglects to pay compensation to a temporarily totally disabled worker within 10 days of such notification.

The law presently requires an employer or his insurance carrier to make the first payment of temporary total disability compensation within 10 days of notification if he does not deny the occurrence of disability. The law, however, does not provide a remedy for the effective enforcement of the foregoing provision. Where payment is not made, the director must now conduct a hearing and issue a decision ordering payment. Even upon the issuance of such an order, the employer or insurance carrier can still wait until the 30 day appeal period has run before making payment.

The bill proposes to grant the director of labor and industrial relations discretion to add a 10% penalty on the compensation payments in cases where liability is not denied and there is no question that the compensation is due the injured worker. Your Committee agrees that the enforcement remedy proposed above would further the purpose of the workmen's compensation law by encouraging the prompt payments of temporary total disability benefits to injured workers whose earning capacities have been temporarily impaired.

Your Committee on Judiciary is in accord with the intent and purpose of **S. B. No. 121, S. D. 2** and recommends its passage on Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 758 Judiciary on S.B. No. 122

The purpose of this bill is to amend the Hawaii Workmen's Compensation Law by adding a new section which would require employers to post notices prescribed by the director of labor and industrial relations concerning the application of the law. Such notices would be required to be posted in conspicuous places so employees may readily see them on the way to or from their working places.

Every worker should be apprised of his legal rights and benefits when he incurs a work injury. A requirement to post notices about the law as prescribed by the director of labor and industrial relations would serve to make workers more aware of their rights and benefits under the law.

Your Committee on Judiciary is in accord with the intent and purpose of **S. B. No. 122, S. D. 1** and recommends its passage on Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 759 Judiciary on S.B. No. 128

The purpose of this bill is to amend the workmen's compensation law to enable an unmarried dependent child of a worker killed in an industrial accident to continue to receive dependency benefits up to the age of 22, if he is a full-time undergraduate college student.

The law presently entitles an unmarried, dependent child below the age of 20 to receive dependency benefits if he is a full-time student at a high school, business school, technical school or college. This bill proposes to amend the law to permit an unmarried, dependent child who is attending college to receive such benefits until he reaches the age of 22. Its purpose is to enable a dependent child to complete his undergraduate college education.

Your Committee agrees that a dependent child of a worker who is killed in an industrial accident should be afforded the means to complete his undergraduate college education.

Your Committee is in accord with the intent and purpose of **S. B. 128** and recommends its passage on Second Reading and placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 760 (Majority) Public Employment on **S. B. No. 800**

The purpose of this bill is to provide retirement benefits to officers of the legislature as presently provided for judges and elected officers.

Under existing law, only judges and elective officials are eligible for retirement after ten years of service credit with 3-1/2 per cent of average final compensation for each year of creditable service.

Your Committee finds that officers of the legislature are subject to annual appointment by the respective houses and their tenure in office does not extend beyond the year for which appointed. In view of the fact that the officers of the legislature are required to forego permanent employment, it is felt that they should qualify for retirement on the same basis as judges and elected officials.

Your Committee on Public Employment is in accord with the intent and purpose of **S. B. No. 800** and recommends its referral to your Committee on Judiciary.

Signed by all members of the Committee except Representatives Wong and Devereux. Representative Yim did not concur.

SCRep. 761 (Majority) Public Health, Youth and General Welfare on **S.B. No. 466**

The purpose of this bill is to reduce the legal residence requirement for eligibility to take the examination for medical licensure from one year to six months. Your Committee feels that the residence requirement does not relate in any way to the quality of medical practice, but there is disagreement among members of the medical community as to how much the legal residence should be shortened. Therefore, your Committee feels that it should be shortened to six months but not completely eliminated.

Your Committee on Public Health, Youth and General Welfare is in accord with the intent and purpose of **S. B. No. 466** and recommends its passage on second reading and its referral to the Committee on Judiciary.

Signed by all members of the Committee. Representative Devereux, Hansen and Leopold did not concur.

SCRep. 762 Public Health, Youth and General Welfare on **S.B. No. 1127**

The purpose of this bill is to recognize the general class of dental assistance and to allow the Board of Dental Examiners to expand and regulate their duties through rules and regulations.

The present law does not classify the dental assistant who performs a prominent role in assisting the dentist with his work.

Your Committee finds this bill in keeping with the national practice to expand the duties of auxiliary personnel in the field of dentistry.

Your Committee on Public Health, Youth and General Welfare is in accord with the intent and purpose of **S. B. No. 1127** and recommends its passage on second reading and placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 763 Finance on **S.B. No. 894**

The purpose of this bill is to expand manpower development and training programs to provide for the employment needs of individuals by job training or public service employment.

The bill, as amended, amends three sec-

tions of chapter 394, the Manpower Development and Training Act.

Section 394-1 is amended by focusing all employment needs of individuals rather than manpower needs of the State's economy. This redefinition marks a turning point in the State's mission in response to current economic trends. Initially, this law was prompted by an insufficiency of local labor in 1969 when it was enacted; however, since January, 1971 the trend has reversed, and unemployment has reached alarmingly high levels.

Therefore, section 394-2, relating to training programs established in the department of labor and industrial relations, is amended to authorize the formulation of public service employment to unemployed persons. The principal feature of the bill is the provision that:

"Refusal to participate in any training program or to accept suitable work as determined by the department of labor and industrial relations without justifiable reasons shall render an unemployed or underemployed person ineligible for public assistance from the department of social services and housing."

Also significant is an amendment to section 394-4, relating to compensation, providing that the State "may" pay to each person who is employed on a public service employment project, the prevailing wages of persons employed in similar public employment.

An appropriation out of general revenues in the sum of \$400,000 is provided for the payment of compensation and wages under this bill for the ensuing fiscal biennium, the same being sufficient to supplement funds heretofore allocated by the General Appropriations Act.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 894**, **S. 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 Yim.

SCRep. 764 Finance on S.C.R. No. 44

The purpose of this concurrent resolution is to request the Governor of the State of Hawaii to set aside the week of January 23-

30, 1972 as a Sesquicentennial Week honoring the birth of Charles Reed Bishop and to set up a State Commission to participate in this 150th anniversary celebration.

Charles Reed Bishop made a great contribution to the economic, political and social growth of the State of Hawaii. During his 48 years in Hawaii, he founded or was responsible for the Royal Hawaiian Agricultural Society in 1850, First Hawaiian Bank in 1858, Board of Immigration in 1872, Hawaiian Historical Society in 1892, and was one of the original trustees of the Estate of Bernice Pauahi Bishop in 1884. These are just a few of his many contributions to our State of Hawaii. Thus, your Committee deems it appropriate to pay tribute to his many accomplishments.

Your Committee on Finance concurs with the intent and purpose of **S. C. R. No. 44** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 765 Public Health, Youth and General Welfare on S.C.R. No. 14

The purpose of this concurrent resolution, as amended, is to request the Hawaii Housing Authority and the Commission on Aging to work together in making available recreational facilities throughout the state for use by senior citizens.

With the increase in life expectancy, the lowering of the retirement age and the increasing leisure time available to the senior citizen, your Committee finds it necessary to make available recreational facilities for use by senior citizens.

Your Committee upon consideration of the concurrent resolution recommends that the University of Hawaii and the various community colleges be excluded from this request. It is felt that the responsibility of the university does not lie in this area. Therefore, your Committee has amended the last two paragraphs to effect this purpose.

Your Committee on Public Health, Youth and General Welfare concurs with the intent and purpose of **S. C. R. No. 14**, as amended herein, and recommends its adoption in the form attached hereto as **S. C. R. No. 14, H. D. 1**.

Signed by all members of the Committee.

SCRep. 766 Housing and Consumer Protection on S.C.R. No. 48

The purpose of this concurrent resolution is to request Hawaii's Congressmen to take action which would allow lessees of Hawaiian Home lands to qualify for dwelling construction loans from the Farmers Home Administration, United States Department of Agriculture.

The situation presently is such that although qualified lessees of Hawaiian Home lands can obtain guarantees from the Department of Hawaiian Home Lands for the repayment of such loans, they are prevented from qualifying because the Farmers Home Administration's financial assistance to rural residents program—Title V, Housing Act of 1949—requires as security a real estate mortgage on fee simple land. The Hawaiian Homes Commission Act, because it prohibits the lessee from mortgaging his interest in his homestead, turns the seeking of construction loans into a vicious and frustrating circle. An investigation into the possibility of changing loan requirements would open venues to alleviate some of this frustration, as indicated by **Standing Committee Report No. 691**.

Your Committee on Housing and Consumer Protection is in accord with the intent and purpose of **S. C. R. No. 48, S. D. 1, H. D. 1** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 767 Finance on S.B. No. 20

The purpose of this bill is to provide an appropriation for planning and construction of a stadium in the City and County of Honolulu.

The Senate has recommended the sum of \$13,600,000, to be expended by the department of accounting and general services. As amended in the Senate, the appropriation is from moneys in the treasury received from general obligation bond funds, the issuance of bonds for which, in the sum recommended, is also authorized.

Your Committee conducted a series of hearings into the question of the proposed new stadium and its financing. We brought

before us all reportedly knowledgeable and reliable sources on current construction cost estimates.

We regret having to report that the thrust of our inquiry fell something short of penetrating the curtain of confusion presently surrounding this issue, whether real or imagined. We are well aware that there are inconsistencies in some estimates, some substantial. However, we are equally as well satisfied that these gaps will close as the design process progresses to conclusion, to a degree that cost estimates will begin to approach the accuracy of the lowest competitive bid price the closer the stadium gets to construction.

Your Committee has considered certain recent calculation prepared by the department of accounting and general services. While these figures are apparently influenced by the so-called "Luckman plan" for a movable-stand stadium, this particular plan has not particularly influenced our recommendations hereupon. However, they confirm our conviction that a stadium capacity of 50,000 seats is well justified in spite of (and even because of) the comparative costs of constructing one of lesser size.

Recognizing the need for such a facility, your Committee has amended the bill to provide for an appropriation of \$15,300,000 (as a supplement to the appropriation made in Act 172, Session Laws of Hawaii 1970).

Your Committee further amended the bill by including an amendment to section 109-3, Hawaii Revised Statutes (Section 3 of Act 172, Session Laws of Hawaii 1970), as follows:

" . . . provided that all services required for operation and maintenance of the stadium and related facilities shall be performed by persons hired on contract or otherwise, without regard for chapters 76 or 77."

This proposed provision is consonant with the status of the stadium manager and his deputy, whose appointment and duties are enumerated in section 109-3. It is intended thereby, pursuant to present statutory provisions, that the stadium board shall determine the manner in which employees are to be obtained for providing services such as groundskeepers, ushers, and others necessary to carrying on similar activities, whether by contract to a specialty concern

or individually, but that such employees shall be exempt from civil service status and compensation.

With respect to the physical plant itself, it is not the inclination of your Committee to legislatively intrude into the affairs of the stadium advisory and design teams. However, this occasion will be used to urge wise yet expeditious conclusion of the entire planning process, including both on-site and off-site improvements, so that the implementation phase may be commenced before the aggregate appropriation for this project is too far attenuated by rising costs of construction to bring in a stadium of which we can be justly proud at or under presently foreseeable costs.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 20, S. D. 2**, as amended herein, and recommends that it pass second reading in the form attached hereto as **S. B. No. 20, S. D. 2, H. D. 1**, and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 768 Finance on S.B. No. 201

The purpose of this bill is to amend chapter 243 to provide that the fuel tax on diesel oil and liquefied petroleum gas be paid by the distributor rather than the user.

Amended hereby is section 243-4 in order to provide that fuel tax on diesel oil and liquefied petroleum gas used for operating a motor vehicle upon the public highways of the State shall be imposed on and be paid by the distributor rather than be imposed on and be paid by the user. If the diesel oil and liquefied petroleum gas are not used for operating a motor vehicle upon the public highways of the State, it is provided that all users of such fuels (except liquefied petroleum gas used in the home) shall furnish exemption certificates to the distributors. In the event the exemption certificate is not or cannot be furnished, then the taxes are to be imposed on and be paid by the distributor as if such fuels were used for operating a motor vehicle upon the public highways of the State. Also, it is provided that the user may claim a refund of the fuel tax paid if the diesel oil and liquefied petroleum gas are not in fact ultimately used for operating a motor vehicle upon the public highways of the State.

Presently, liquid fuel (gasoline) is chiefly utilized to operate motor vehicles upon the public highways of the State, and the fuel tax on such liquid fuel is imposed on and paid by the distributor at the time of sale. However, only 1¢ of the total applicable tax on diesel oil is imposed on and paid by the distributor at the time of sale, while no tax on liquefied petroleum gas is imposed on and paid by the distributor at the time of sale. The user of the fuels (the remainder of the applicable tax in the case of diesel oil and all of the applicable tax in the case of liquefied petroleum gas) is required to report and pay such fuel tax if used on the public highways of the State.

To encourage the use of liquefied petroleum gas for anti-pollution purposes, the fuel tax on liquefied petroleum gas for use on the public highways of the State was reduced by the 1970 Legislature, effective as of January 1, 1971.

Facilities are being developed locally for motorists to convert their gasoline-powered vehicles to run on liquefied petroleum gas and for the retail sales of such gas. It will be difficult to impose and collect the fuel tax from the motorists purchasing such gas for use on the public highways of the State.

According to the department of taxation, the imposition of the fuel tax on diesel oil and liquefied petroleum gas on the distributors and collection from them will provide for better compliance and enforcement of the Hawaii fuel tax law and will prevent the loss of fuel tax revenue to the State.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 201, S. D. 1**, and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all the members of the Committee.

SCRep. 769 Finance on S.B. No. 48

The purpose of this bill is to expressly exempt, by enumeration under section 76-16, certain positions from the State civil service laws: As introduced, foster grandparent program positions, only. As amended, positions for temporary employment of senior citizens in occupations in which there is a severe manpower shortage or in special projects, also.

The programs and projects which are the subject hereof are principally participated in by elderly persons no longer employed competitively in the labor market, primarily for purposes of supplementing low fixed income. Over the past several years, the department of personnel services has granted temporary exemptions; and now, because the foster grandparent program is no longer at the demonstration level, it is requested that these positions be granted permanent exemptions.

Your Committee on Public Employment, in **Stand. Com. Rep. No. 509**, has stated, based upon the reasons hereinabove given, that: "If these participants were to be under civil service, it would not be advantageous to the program's purposes and objectives." The amendment hereto by that Committee was simply in conforming the bill, as amended, with **House Rule 24(2)**.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 48, S. D. 1, H. D. 1**, and recommends that it pass third reading.

Signed by all members of the Committee.

SCRep. 770 Public Employment on S.B. No. 149

The purpose of this bill is to permit the governor to change the business hours of public welfare offices. Under existing law all offices of the state are required to be open for the transaction of business between the hours of 7:45 a.m. and 4:30 p.m., Monday to Friday, inclusive. During certain seasons, the Department of Social Services and Housing is besieged with mass movement of public welfare applicants which causes an excessive workload on the staff. To cope with this problem the existing law is amended by affording some flexibility as to the number of hours public welfare offices shall remain open to accept applications.

Your Committee on Public Employment is in accord with the intent and purpose of **S. B. No. 149, S. D. 1**, and recommends its referral to your Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives.

Signed by all members of the Committee.

SCRep. 771 Public Employment on S.C.R. No. 16

The purpose of this concurrent resolution is to request the Department of Labor and Industrial Relations to conduct a survey to determine the employment status of veterans returning to Hawaii and to assist these veterans in finding gainful employment.

Your Committee believes that the State of Hawaii has a responsibility to assist all its citizens in securing gainful employment of their choosing. Currently, there are many residents of the State who have had their education or careers interrupted because of service in the armed forces of the United States. These interruptions are equally difficult for the family and loved ones of these veterans. The public policy of the State, therefore, has always regarded veterans as a group deserving special consideration for public housing, employment and other programs in recognition of their sacrifices and service. Your Committee by endorsing this resolution reaffirms the policy.

Your Committee concurs with the intent and purpose of **S. C. R. No. 16** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 772 Finance on S.B. No. 392

The purpose of this bill is to authorize the director of finance to issue general obligation bonds for the acquisition of development tracts by the Hawaii housing authority pursuant to chapter 516, Hawaii Revised Statutes. The bill also provides that amounts required within the limits of legislative authorization may be advanced to the Hawaii housing authority from the general fund of the State pending the receipt of funds upon the issuance and sale of general obligation bonds. Upon receipt of the bond funds, the general fund shall be reimbursed the amount advanced.

Under existing law the Hawaii housing authority is empowered to issue only revenue bonds to carry out the purposes of said chapter 516, commonly called the Land Reform Act. However, the money market has not been receptive to the purchase of said revenue bonds. Your Committee finds that the issuance of general obligation bonds, which are considered more merchantable, may be the possible solution.

During its deliberations hereupon, the Senate effected some essentially technical

amendments to the bill (including deletion of the word “and” from between the words “development” and “tracts” in the title thereof). The significant change to the bill, as introduced, was by inserting the sum of \$10,000,000 in Section 2 thereof, being the amount of general obligation bonds which the director of finance is authorized to issue for the purpose of acquisition of development tracts by the Hawaii housing authority.

Your Committee has conducted a hearing upon **H. B. No. 78**, which is substantially similar in its purpose, although the authorization sought thereunder was limited to \$5,000,000. There was an expression of “concern” in testimony on behalf of the director of finance, because:

“1. Under the present provisions of the law the State is not held liable for revenue bonds issued for this purpose. The proposed provisions of **House Bill No. 78** provides for the issuance of general obligation bonds in the amount of \$5 million, the issuance of which becomes a **general liability of the State which will count against the debt ceiling of the State.** (Emphasis added).

“2. The issuance of general obligation bonds for the purpose of advancing funds for residential leasehold acquisition may pose the question as to whether such purpose falls within the meaning of public purpose as intended under the State Constitution.”

Under the circumstances, because we are constrained even to commend a requested authorization in the sum of \$5,000,000, we cannot endorse this bill so long as it calls for compounding the cause of our concern twice over. But because we believe the program deserves some opportunity to prove itself, we are willing to meet the matter at hand half way. Accordingly, your Committee has amended the bill by reducing the general obligation bond authorization from \$10,000,000 to \$5,000,000.

Your Committee is in accord with the intent and purpose of **S. B. No. 392, S. D. 2**, as amended herein, and recommends that it pass second reading in the form attached hereto as **S. B. No. 392, S. D. 2, H. D. 1**, and be placed on the calendar for third reading.

Signed by all members of the Committee except Representatives Kishinami and Yim.

SCRep. 773 Federal-State-County on H.C.R. No. 16

The purpose of this concurrent resolution is to request the Hawaii Delegation to Congress to obtain from the appropriate governmental source guidelines which can be used by the State and local agencies in determining which of their employees fall within the restricted areas covered under the Hatch Act.

Your Committee concurs with the purpose of **H. C. R. No. 16** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 774 Transportation on H.C.R. No. 88

The purpose of this house concurrent resolution is to request the various shipping lines presently servicing the route between Hawaii and the Far East to schedule additional sailings because they are essential to this State.

Since March of 1971 the number of American and Japanese ships arriving at Honolulu Harbor from the Orient has been considerably reduced by the shipping firms servicing Hawaii. This loss of cargo space will adversely affect our island state because it is to be expected that these ships would devote more space to high revenue freight. This state must import most of its commodities including low revenue cargo as steel and lumber. If the shipping lines give priority to the more profitable goods, there will be a shortage of other import categories. Your Committee, therefore, endorses the purpose stated herein.

Your Committee on Transportation concurs with the intent and adoption.

Signed by all members of the Committee.

SCRep. 775 Finance on H.R. No. 74

The purpose of this resolution is to request the College of Tropical Agriculture of the University of Hawaii to open an agricultural satellite station in the Ninole-Honohina area of North Hilo, County of Hawaii.

Recognizing the isolated nature of the Ninole-Honohina area of North Hilo, the obtaining of information and advice by the

farmers from the populous towns with agricultural programs poses quite a problem.

Being that most of the residents of this area are retired sugar plantation employees, probably with no means of transportation, the opening of a satellite station would aid in furthering the diversified agriculture program for economic development of the area, while providing convenient services to farmers and utilizing the available supply of elderly people who can still work productively.

Your Committee on Finance concurs with the intent and purpose of **H. R. No. 74** and recommends its adoption.

Signed by all members of the Committee except Representative Yim.

SCRep. 776 Legislative Management Informing the House that **House Resolution Nos. 361 to 372, House Concurrent Resolution Nos. 90 to 92, House Bill No. 623, House Draft No. 2, Standing Committee Report No. 760 to 775** and **Standing Committee Report Nos. 777 to 781**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 777 Joint Select Committees of Kauai, Maui, Oahu and Hawaii Representatives on **S.B. No. 627**

The purpose of this bill is to allow the head of the fire department, with the approval of the Mayor, to reduce the maximum number of hours of work for fire-fighting members of the fire department who are required to work under unique and unusual situations in a county with a population of less than 100,000.

S. B. No. 627 was a companion bill to **H. B. No. 843** which was considered by your Committee. The original purposes of both bills were to permit the fire chiefs to reduce the maximum number of hours of work for firemen who are required to work on a schedule similar to that of other public employees instead of as stated above. As stated in **Standing Committee Report No. 471** of the Senate, there exist unique and special situations on the island of Hawaii where firemen's work weeks are regularly scheduled at approximately forty hours per week. The report therefore recommended that the proviso be amended to read:

"provided that fire-fighting members of the fire department who are required to work under unique and unusual situations and on a schedule similar to that of a normal county employee, in a county with population of 100,000 or less, the maximum number of hours may be reduced by the fire chief with the approval of the mayor." (emphasis ours)

While the report recommended firemen employed in unique and unusual situations along with those that are required to work on a schedule similar to that of a normal county employee, **S. B. No. 627, S. D. 1**, provides only for firemen employed in unique and special situations. Furthermore, the bill under consideration limited the application of the proviso only to counties with less than 100,000.

Your Committee, upon consideration of the matter, recommends that the provision with respect to firemen working a normal work week be reinserted, and since such practice is prevalent on Oahu, the population limitation should also be deleted. The amendments will make the bill more consistent with the purposes of the original bills.

Upon further consideration of **S. B. No. 627, S. D. 1**, your Committee finds that there is urgent need to amend Section 80-4(d) in the following respects:

1. By redesignating the specific holidays listed under Section 80-4(d) (3) so it will be identical to the holidays provided for other employees under Section 8-1, Hawaii Revised Statutes. When the state holidays were changed by Act 156 in 1969, the holiday list under Section 80-4(d) (3) was inadvertently left unamended. Columbus Day and Admissions Day are not included in the firemen's list. Other holidays redesignated so they will be observed on Mondays were also left unchanged.

2. By providing that all firemen who are off duty on holidays shall be granted 12 hours of compensatory time off. Presently, firemen are paid double time while on duty on holidays. If a holiday falls when they are not on duty, firemen do not enjoy benefits comparable to other public employees. Other public employees are allowed an additional day off whenever a state holiday falls on a Sunday or whenever such holiday falls on a Saturday and is also observed as a national holiday. Your Committee feels that this is an equita-

ble measure and will place the firemen in parity with other public employees.

Your Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives is in accord with the intent and purpose of **S. B. No. 627, S. D. 1**, as amended herein, and recommends its passage on second reading in the form attached hereto as **S. B. No. 627, 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. 778 Joint Select Committees of Kauai, Maui, Oahu and Hawaii Representatives on **S.B. No. 1078**

The purpose of this bill is to provide that county bands may accept donations or engage in after-hours fund-raising activities in order to finance their authorized goodwill tours.

Your Committee received testimony from Dr. Kenneth Kawashima, Bandmaster for the band of the City and County of Honolulu. This testimony brought to light that in 1967, the band received an offer to make a 22-day playing tour of Japan. Expenses would be underwritten by several Japanese commercial organizations. However, when it was realized that the sponsoring amusement park would have to charge an admission fee of .50¢ per person in order to recover expenses and make the endeavour feasible, the Corporation Counsel of the City and County of Honolulu ruled that without express legislative authority the trip could not be authorized. The band was, therefore, not permitted to concertise in Japan. Corporation Counsel further stated that if Honolulu had a commercial amusement park, the band would not be permitted to play in such a park.

The 42-piece Royal Hawaiian Band is one of only two municipally subsidized full-time bands in the country, and it is our last living link to the Monarchy as it was founded by King Kamehameha III in 1887.

Your Committee has, therefore, amended this bill to provide that admission fees may be charged where the band is performing. Reference to "board of supervisors" has been changed to "county council".

Your Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives is in accord with the intent and purpose of **S. B.**

No. 1078 as amended herein, and recommends that it pass second reading in the form attached hereto as **S.B. No. 1078, H. D. 1** and that it be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 779 Higher Education on **S.B. No. 747**

Your Committee believes that the question of whether to establish, and if so, how to fund the development of a 4-year medical school is one of the more important issues for higher education in this legislative session. As such, **H. R. No. 18** was introduced and adopted to have your Committee study the need for a 4-year medical school, and report its findings and recommendations to the House of Representatives before the end of the 1971 Session.

The recommendations your Committee has arrived at are essentially similar to those expressed in **Standing Committee Report No. 147** and **Standing Committee Report No. 359** on **S. B. No. 747**. Your Committee, therefore, generally concurs with **S. C. R. No. 147** and **S. C. R. No. 359** which are incorporated as part of this report, and the University of Hawaii should be guided accordingly.

Our recommendations, however, were derived from our own separate inquiry and evaluation as was mandated by **House Resolution No. 18, H. D. 1**. Your Committee held public hearings on the expansion of the medical program at the University of Hawaii into a four-year medical school. We heard the views of the University of Hawaii, the chairman of the 4-member team which prepared the report on what should be the future course of the program in medical education at the University, some students attending our present two-year medical school, the hospitals, physician groups, and other medically oriented groups. Available data was compiled and reviewed, and additional data was requested and discussed with appropriate officials.

Background

The origin of the School of Medicine at the University goes back to 1960, when preliminary discussion of a 2-year medical school was initiated. That was prompted by a WICHE publication pertaining to medical manpower needs in the western states. That

led to a feasibility and planning study for a biomedical education program at the University. In 1964, the Hawaii Legislature passed **Senate Concurrent Resolution No. 7** which endorsed such a program and encouraged the University to report its findings and recommendations to the next General Session of 1965. In that report, the University advanced the concept of a two-year school of medicine. The appropriations act of that year authorized the establishment of a two-year medical school. The first class was admitted in 1967.

The University in 1970 requested the Legislature for a feasibility study to determine whether a 4-year school is desirable and financially possible. The request was accompanied by a report which pointed out the inherent difficulties in a two-year medical school. The Legislature recognizing that expanding the 2-year school could have an impact in combating health problems in the state requested the University to contract with an independent body to conduct a feasibility study for a four-year medical school. The study resulted in the McDermott Report which recommended a three-stage schedule of action toward establishing a degree-granting school.

The McDermott Report essentially proposes the establishment of a degree-granting facility that enables students to gain clinical experience in community hospitals rather than in a separate university hospital. The consultants concluded that it is wise to establish a 4-year medical school on the basis that the school could exert a major leadership role in ensuring the best of medical care for the people of the State. Their case for the 4-year school is based on four major reasons: (1) The level of medical care available to the people of the State of Hawaii would be improved and continually updated; (2) The present Schools of Public Health, Nursing, and Social Work, also essential to the total health program of the State would realize their full potentials; (3) A feasible opportunity to enter the profession of medicine would be open to the young people of the State; and (4) certain features peculiar to Hawaii offer an ideal opportunity for taking a leadership role in improving delivery of health care.

Need for 4-year Medical School

The testimonies presented at our public hearings were overwhelming in favor of extending our present 2-year medical school.

The essential reason can be boiled down to the growing health consciousness of our people and the need for improving health care. Demands on health care facilities and health care personnel will increase. It is, therefore, important to develop an integrated health education and health care delivery system which will be able to meet the demand. This can be achieved through the kind of medical school proposed in the McDermott Report.

A 4-year med school in Hawaii will provide the opportunity for local students to study medicine close to home, at modest cost, and in an environment in which they will most likely practice in the future. It is getting more and more difficult to get into med schools on the mainland. Students needing to transfer to mainland schools after their second year are finding increasing difficulty in being accepted.

Beneficial Effects of a 4-year Medical School

The objective of training future doctors by itself will not justify the high cost of the 4-year medical school. Other benefits must also accrue to the people of the State. The benefits are as follows:

1. The existing level of medical care in the State would be further improved and continually up-dated.
2. It will upgrade the internship and residency programs in the community hospitals.
3. Training of new kinds of health workers would be possible to meet impending health manpower crisis.
4. Innovative approaches to meet the needs of Hawaii's medical care problem would become possible. We need not be locked in to mainland needs.
5. There will be a positive impact on other schools in the college of health sciences.

Major Concerns

High Cost of Programs

Although all testimonies expressed the desirability of having a 4-year medical school, some concern was presented about the high cost and whether the State can afford it. Your Committee assessed long-range costs and their implications. Although

cost data could not be pinpointed accurately at this time, the additional cost for extending our present two-year school to a four-year school is estimated at about a little over 3 million dollars annually in operating costs once the program is fully established. Initial capital outlays are estimated at about 3 million dollars. Your Committee reviewed estimated projections of the operating cost of the total University system for the next six years including the proposed programs for medicine, law, and "new campus." The annual rates of increases averaging to about 7.6% for the next six years should be within the estimated revenue projections of about 9-10% annual increase projected for the next biennium assuming that the economy goes along at that pace. The estimated 6-year projection for the total operating costs for the University of Hawaii is as follows:

Your Committee is fully aware of the cost implications, but is also mindful about the health care needs of the people of this State. In weighing the cost of the program against the needs of the people, your Committee believes that the need for upgrading medical care outweighs the cost. Your Committee is, however, not unmindful about the cost, and therefore has recommended that the Legislative Auditor look into the financing of higher education and develop alternative modes of financing so that additional resources could be generated.

Implementation Problems

The successful implementation of the McDermott proposal hinges upon the establishment of positive working relationships between the University and community private practitioners and the hospitals. The Medical School program in its role of educating students, interns, and residents must become an integral part of the health care system of the community. Some of the problems needing to be resolved are such matters as the referral of private practitioner patients to the University teaching service, and fee charging and distribution. Distribution of costs between the hospitals and the University needs to be made on a mutually satisfactory basis. Satisfactory working relationships need to be worked out in conducting educational and operational functions.

Your Committee believes that these problems must be fully explored and working relationships agreed upon by all parties before any further steps are initiated.

Conclusion

Your Committee after having heard extensive testimonies from the community sector that is vitally interested in the 4-year medical school issue is convinced about the desirability and need for expanding our present 2-year medical school into a 4-year school. The proposal of the consultants to utilize community hospitals for clinical training of students makes sense in that it will foster closer "town-gown" relationships and at the same time avoid duplication of facilities. The 4-year medical school will certainly open the door for many of our youngsters who would otherwise be unable to pursue a medical career. It will also materially contribute to better health care for the people of our State, and provide the leadership sought from us by our neighbors in the Pacific basin. Such a professional school within the University will also make our University of Hawaii greater and is another forward step in making our University a truly great university.

Although the cost of the program must be considered, and we can anticipate some difficulties in implementing a successful program, your Committee also realizes the consequences of not moving ahead. Your Committee strongly believes that steps need to be initiated to adequately maintain a healthful citizenry, for that is basic to fulfilling any future dreams we may have to make Hawaii a better place to live in.

On the basis of our study, your Committee on Higher Education recommends that the legislature adopt in principle that a 4-year degree granting medical school be established, and finance a "working party" for preliminary negotiations, and that the University prepare and present to the 1972 Legislature specific implementation plan showing the full cost. This will make it possible for the Legislature to further approve ensuing steps necessary to establish the 4-year medical school.

Your Committee reiterates certain portions of **Standing Committee Report No. 147** so as to leave no doubt as to what constitutes legislative intent.

"Thus, it is the intent of your Committee to endorse in concept the creation of a degree-granting medical school at the University of Hawaii, patterned after the multi-hospital clinical approach as outlined in alternative B of the McDermott report, or

some acceptable modification thereof. Your Committee recommends the appropriation of \$299,000 for the biennium to finance the **research and development** phase of the program, the results of which shall be a complete program configuration for the degree-granting medical school. This sum is expected to cover contracts for all costs associated with the development of the new program to the point where capital and/or non-capital investments are required to introduce the program into operational use. This would include all costs for personal services necessary to complete the R & D phase, including the costs of all staff, consultant and clerical services.”

“In adopting this approach of financing the research and development of the program while holding in abeyance the investment commitment to the program until the R & D phase has been completed, your Committee is adhering to the specifications and intent of Act 185, S.L.H. 1970, the Executive Budget Act, and the guidelines formulated by the Joint Interim Committee on Legislative Review and Organization. The intent of Act 185 is that all new programs should be undertaken sequentially and should follow the “life cycle” approach to costs and that a decision to undertake a program must take into account the full cost impact of the program over time. In this particular case, it is clear that the establishment of a four-year medical school must flow through the phase of **research and development** wherein the full configuration of the program can be established and its future costs reasonably ascertained, before any investment commitment of either a capital or non-capital nature can be made by the legislature.”

“Following this approach, the legislature will be able to assess not only the full cost of the program over time, but it will be able to make incremental program decisions. While making a full commitment towards the research and development phase of the program, the legislature makes no commitment at this time as to the size, duration and other operational aspects of the program until the research and development phase is completed.”

“Your Committee is both mindful and wary of the many unknowns involved in the program at hand, and thus, it is reluctant to give carte blanche approval to a

program which may turn out to be very unlike what has been represented to us. The completion of the research and development phase should do much to allay these concerns. From the appropriation made, your Committee expects the following results from the completion of research and development: (1) the preparation and submission of a complete program development plan for the four-year medical school, for the **research and development** phase through the **capital and non-capital** investment phase into the **operating** phase, extending as many years into the future as will enable the legislature to ascertain the full-cost implications and results of the program; (2) the programming of an implementation plan into program and financial plans for the next six years, following the format and including the information required for such plans by Act 185, S.L.H. 1970; (3) the details for estimating costs, including specific **capital investment, non-capital investment, and operating costs**, and the conduct of sensitivity analysis of such costs against varying assumptions; (4) the conduct of pre-contract negotiations with hospitals, the medical profession, and others, if appropriate, in order to establish the program configuration, the provisional commitment of second and third parties to the program, and the full-costs of the program, except that no contracts shall be formally executed until the legislature has had the opportunity to review the **research and development** results; (5) the submission of a full report to the 1972 legislature, covering the foregoing elements, or a status report if the research and development phase is not by then completed.”

“In summary, your Committee stresses that it has herein endorsed the concept of a four-year medical school, it has given substance to its commitment through an appropriation for research and development of the program, but in the public interest, it will await the results of the development of a detailed program financial and implementation plan before further committing the resources of the State.”

Your Committee on Higher Education is in accord with the intent and purpose of **S. B. No. 747, S.D. 2**, 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. 780 Hawaiian Homes on S.B. No. 904

The purpose of this bill is to amend Act 103, Session Laws of Hawaii, 1967 and Act 238, Session Laws of Hawaii, 1965, to permit the Department of Hawaiian Home Lands greater flexibility in making loans.

Acts 103 and 238 presently provide that the department may make loans to lessees for farming and ranching purposes only. S. B. No. 904 would now authorize the department to make loans to lessees and other persons for commercial and mercantile purposes.

Your Committee is cognizant of the need to expand the purposes for which loans can be made. Expansion to include commercial loans is a realistic response to the need of the lessees to engage in non-agrarian activities. Our society is no longer purely agrarian and as such the law must be changed to reflect this fact.

Your Committee has amended S. B. No. 904 to limit these expanded benefits to lessees under the Hawaiian Homes Commission Act and to simplify, for purpose of clarification, the language of the bill.

Your Committee on Hawaiian Homes is in accord with the intent and purpose of S. B. No. 904, 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 S. B. No. 904, H. D. 1.

Signed by all members of the Committee.

SCRep. 781 Lands on H.R. No. 355

The purpose of this resolution is to request the Legislative Reference Bureau to study and recommend administrative and legislative alternatives for the solution of the problems incident to the unemployed.

Your Committee is cognizant of the community concern for the problems of unemployed. The instance of the qualified individual who chooses not to work begs the question of why he chooses to be unproductive. Provided it can be done within a constitutional context, your Committee feels that legislative and administrative measures to en-

courage the "voluntary unemployed" are necessary. It is hoped that the study requested under this resolution will develop such measures.

Your Committee on Lands concurs with the intent and purpose of H. R. No. 355 and recommends its referral to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 782 Finance on S.B. No. 30

The purpose of this bill is to establish a loan program to assist in the development of aquaculture in the State.

As amended by the Senate, the bill establishes a definition for "aquaculture", being:

"... the production of aquatic plant and animal life for food and fiber within the ponds and other bodies of water that are within the real property for which real property taxes are assessed and paid by the owner or producer.

A similar measure introduced in the House, being H. B. No. 62, was referred to your Committee following its consideration by your Committees on Agriculture and Lands.

In **Stand. Com. Rep. No. 101**, the former found:

"Hawaii's position as an island state affords it a unique opportunity to alleviate some of the problems of the world's food supply, and become a leader in the development of aquaculture.

"It has been established by the department of planning and economic development that several million pounds of aquacultural products are imported from the mainland or foreign countries to Hawaii. The State's economy would greatly benefit it we were able to cultivate these products locally and acquire a portion of the aquacultural products market."

However, as pointed out by your Committee on Lands in **Stand. Com. Rep. No. 423**:

"Your Committee is aware of the difficulty in securing conventional financing with respect to aquaculture projects. Understandably, conventional lending institu-

tions are hesitant to make loans for what they regard to be innovative, yet uncertain ventures. Your Committee, however, believes firmly that this island state is in a position to realize the benefits of an aquaculture program. In that regard, your Committee experiences no uncertainty with respect to the ability of our residents to develop such a program.”

In this regard, the bill, as amended, provides for the acceptance of specified security as collateral upon loans made pursuant thereto.

Some controversy seems to have raged respecting the expending agency to be charged with administering the loan program hereby established. Both bills, as finally amended, however, have settled upon the department of agriculture. Based upon its background and experience with similar farm loan programs, your Committee is in accord with this recommended amendment. As such, powers necessary to carry out the program, including the making of rules and regulations relevant thereto, are vested in the board of agriculture.

The Senate has appropriated the sum of \$500,000 to the revolving fund established by the bill to assist in meeting the objectives of the program. Although this amount may seem substantial for a new program, it is required by the loan limitation provision contained in the bill — i.e., “No single loan authorized by this chapter shall exceed fifteen percent of the total amount deposited in the . . . revolving loan fund.”

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 30**, **S. 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. 783 Finance on S.B. No. 66

The purpose of this bill is to provide an additional deputy position for the department of health, exempt from the requirements of the State civil service.

The department of health presently has two exempt deputies including one which is specifically responsible by law for the administration of all hospitals within the department’s jurisdiction. Since Statehood, the

number of employees in the department has increased from 641 to 3,415 and its annual operating budget has increased from \$6,000,000 to \$43,000,000. These increases in the department’s size, on the one hand, reflect an attempt to meet the needs of Hawaii’s expanding population. On the other hand, they are the result of the assimilation of new programs since Statehood, such as the Hawaii State Hospital, Waimano Training School and Hospital, the dental hygiene program, and the county/State hospitals.

The Senate, upon consideration hereof, amended this bill (which is a companion to **H. B. No. 372**, considered by your Committee) to provide that the additional deputy authorized hereby:

“ . . . be assigned specifically to the environmental health programs administered by the department. This is considered necessary because of the great need for an aggressive pollution abatement program throughout the State. This program should encompass the elimination of water pollution, air pollution abatement, solid waste management, and noise control, as well as any other programs which are concerned with the abatement of environmental pollution and enhancement of the quality of the environment.” (**Senate Standing Committee Report No. 575**).

Your Committee is satisfied that the provision of this additional deputy in the department of health will not only assist the director of health in giving more concerted attention to pollution abatement and improving the quality of the environment, but will allow the director to give attention to other programs within the department which need emphasis at any given time.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 66**, **S. 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. 784 Finance on S.B. No. 174

The purpose of this bill is to permit an employee to purchase prior service by contributing at the rate of one and one-half times his normal contributions to the retirement

system as an alternative to the present method of two times his normal contributions.

At present the law allows a person purchasing prior service to either pay in lump sum, or to have twice the normal deduction made for retirement until the purchase of prior service is completed. By amendment to section 88-59, as amended, the bill allows a person purchasing prior service a third option: to have a deduction of one and one-half the normal deduction made until the purchase is completed.

In testimony before your Committee, it was pointed out that the present increase and the future scheduled increases in the social security contributions would cause a "financial" burden on the member to purchase previous service. This bill would tend to ease this burden.

The bill, as introduced, incorrectly amended section 88-59 prior to its amendment by Act 110, Session Laws of Hawaii 1969. As amended, the bill correctly amends section 88-59, as amended.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 174, S. 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. 785 Finance on S.B. No. 175

The purpose of this bill is to broaden the scope of duties of deputies or assistants to the director of transportation by permitting him to assign them along functional lines rather than strictly along program lines.

Although section 76-16(17) presently provides civil service exemptions for one first deputy or assistant and three additional deputies or assistants "in charge of the highways, harbors, and airports divisions within the department of transportation", it is presently functioning with two deputies assigned by the director to be in charge of "operations" and "financial management". These assignments, although not officially recognized in the statute, have been tacitly approved by the legislature in that it has approved operating budgets authorizing

three civil service exempt deputy positions (the third being in charge of "planning", which is presently unfilled).

The director of transportation contends, and your Committee agrees, that the present language of the statute unnecessarily restricts the assignment of deputies along program lines. Instead, their assignments should be functional, particularly in areas of technical specialty, in accordance with current needs of the department.

No additional funding is required to implement this change.

We originally reported upon companion **H. B. No. 612** under **Stand. Com. Rep. No. 544**, unamended. The Senate, however, upon consideration of this bill recommended that it be amended:

" . . . to specifically limit the number of additional deputies or assistants to three. The present language of the bill is unclear as to how many deputies or assistants may be appointed under law. It is the understanding of your Committee that the present three positions of deputies or assistants are sufficient and need not be increased."

Your Committee, upon review of the bill before and after amendment, and upon conferring with the director of transportation, agrees and also recommends the amendment.

Your Committee on Finance is in accord with intent and purpose of **S. B. No. 175, S. 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. 786 Finance on S.B. No. 188

The purpose of this bill is to eliminate the present requirement that the owner of a commercial fishing vessel register the same with both the department of land and natural resources and the department of taxation, paying a fee to the former, by requiring, instead, that such vessel only be registered with the latter, paying only the normal registration fee.

Presently, commercial fishing vessels are subjected to dual registration. Under chapter 189, the department of land and natural re-

sources presently issues permits authorizing the use of certain vessels for commercial fishing and collects fees for such permits. In addition, the State boating law, chapter 267, requires certain vessels, including those used for commercial fishing, to be registered with the department of transportation, although no registration fees are assessed against such vessels. The purpose of this bill, then, is to eliminate registration of fishing vessels by the department of land and natural resources and to require payment of registration fees under the boating law to the department of transportation. To accomplish this objective, certain sections of chapter 189 are repealed and section 267-12 is amended.

The fee for a department of land and natural resources annual permit is \$1.00 for each rowboat and \$.25 for each foot in length for power driven boats. The fee for a department of transportation annual permit for undocumented vessels (those not licensed by the U. S. Coast Guard), including commercial fishing vessels if this bill is passed, is \$1.00 for those under 16 feet and \$3.00 plus \$.25 per foot after the first 12 feet for those longer than 16 feet. Thus, it is estimated that the vessel registration fees that commercial fishermen would pay under this proposal will be slightly less than they are now paying to the department of land and natural resources. However, they would only be required to register with one agency instead of two.

Your Committee on Finance is in accord with the intent and purpose of S. B. No. 188 and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 787 Finance on S.B. No. 312

The purpose of this bill is to amend the Hawaii Employment Security Law in several respects so that it will conform to new federal standards for state unemployment compensation laws set forth in P. L. 91-373, popularly known as the "Employment Security Amendments of 1970."

P. L. 91-373 was enacted by the 91st Congress and signed by President Nixon on August 10, 1970; this legislation extends and strengthens the federal unemployment insurance program. Conformity with federal standards thereunder is required as a condition

for allowance of credit for contributions to the unemployment compensation trust fund made by Hawaii employers against payments which would otherwise be required of them under the Federal Unemployment Tax Act. While the proposed amendments to Chapter 383 appear numerous, most of them are of a technical nature and amount to minor changes in wording. Your Committee has heretofore considered them under companion H. B. No. 551.

The major amendments cover the following matters:

1. Coverage under Hawaii law for American citizens performing services for American employers outside of the United States.

P. L. 91-373 will require our law to afford coverage commencing in 1972 for services performed by an American citizen for American employers outside of the United States. The Hawaii law presently covers an employee working overseas only if he has previously performed service in Hawaii and the overseas service represents a continuation of the Hawaii employment. This bill proposes the coverage of all American citizens employed abroad by employers registered in Hawaii. The expanded coverage will affect approximately 1,500 workers not presently covered.

2. Coverage for certain agricultural processing.

P. L. 91-373 redefined "agricultural labor" and thereby expanded the coverage of agricultural workers. The Hawaii law now provides coverage for most agricultural workers and the proposed redefinition of "agricultural labor" to make it conform to the new federal law will affect a relatively small number of employees. The proposed redefinition will make services performed for poultry hatcheries not on a farm and services performed in the raising of mushrooms subject to coverage under the Hawaii law from 1972.

3. Denial of Benefits During Specified Periods of Service Performed for Educational Institutions.

P. L. 91-373 provides that benefits should not be payable to individuals employed by institutions of higher education in instructional, research, or principal administrative capacities during certain periods. The provi-

sion is intended to insulate the institutions against benefit claims during vacation, semester-break, or sabbatical leave periods when individuals are paid by but do not perform services for the institutions. The proposed amendment to the Hawaii law adopts federal standards covering non-payment of benefits during the foregoing periods and extends them to all educational institutions rather than to institutions of higher learning only.

4. Self-Financing Option For Non-Profit Organizations.

P. L. 91-373 requires states to allow non-profit organizations described in Section 501(c) (3) of the Internal Revenue Code (educational, religious, or charitable organizations) to meet their obligations for benefits on a self-financing reimbursable basis rather than through the customary method of making regular contributions to the unemployment compensation trust fund based upon their prior benefit experience. This bill proposes to provide non-profit organizations such an option to meet benefit obligations by reimbursing the trust fund for benefits paid on the basis of service with them. It also has provisions to cover the transition to self-financing from the contribution method for the non-profit organizations.

5. Taxable Wage Base.

P. L. 91-373 has raised annual wages subject to the Federal Unemployment Tax Act from the present \$3,600 per employee to \$4,200 beginning with the 1972 calendar year. This means that the Hawaii law must have a taxable wage base of at least \$4,200. The Hawaii law presently has a flexible tax base computed at 90% of the state's average annual wages paid by covered employers which presently provides a taxable base substantially higher than \$4,200, the annual wage now being approximately \$6,000. There is a remote possibility, however, that a drastic reduction in wages could result in average annual wages below \$4,200 and make the Hawaii law non-conforming in this respect. The bill proposes to meet this contingency by setting the Hawaii taxable wage base at least at the Federal base.

6. Wage Combining.

P. L. 91-373 requires state participation in a wage-combining plan approved by the Secretary of Labor which would make it pos-

sible for people who move from one state to another to be eligible for benefits based upon work in two or more states. This bill proposes to amend Hawaii law to permit state participation in such a wage-combined plan with other states.

7. Extended Benefits Plan.

Title II of the "Employment Security Amendments of 1970" establishes a permanent benefits plan providing for the extension of the duration of an individual's benefits beyond the normal period specified in state laws during certain periods of high unemployment. Hawaii law now provides 26 weeks of benefits for a claimant. The new federal law would extend the benefit period for 13 more weeks when certain selected national and state indicators of high unemployment are present.

While Hawaii already has an extended benefit plan under chapter 385, Hawaii Revised Statutes, it does not conform in all respects to the new federal program and legislation to bring the plan into conformity is required. This bill proposes to enact the necessary provisions in chapter 383; and another bill, **H. B. No. 397**, relating to additional unemployment compensation benefits (**S. B. No. 208**) proposes the repeal of the non-conforming extended benefits provisions under chapter 385. Said **H. B. No. 397** was referred to your Committees on Labor and Judiciary, respectively, and has been reported upon in **Stand. Com. Rep. Nos. 216** and **672**, respectively.

This bill also proposes that the 50% portion of extended benefits chargeable against the state under federal law not be charged against the accounts of individual employers. Responsibility for those extraordinary benefits during high unemployment periods should be borne by all employers subject to the Hawaii law as the responsibility for an individual's unemployment during such periods can hardly be ascribed to an individual employer.

Upon consideration of this bill, the Senate amended a portion thereof applicable to non-profit organizations. Such organizations are granted an option of meeting their benefit obligations by reimbursing benefit amounts paid rather than making benefit contributions. Thus, non-profit organizations from which were heard, was supported. What was not supported were certain "transitional

provisions" which would permit them to meet their reimbursement obligations for a period of five years through the transfer of credits from their present reserve accounts. Should balances remain in the reserve accounts after said five year period, they would be forfeited to the trust fund.

The Senate Committee on Human Resources, in **Senate Standing Committee Report No. 429**, stated with reference thereto:

"Your Committee is of the opinion that it would be more equitable to allow the non-profit organizations to completely deplete their reserve accounts before they are actually required to make cash reimbursements for benefit payments than to set an arbitrary five year period which may not be long enough to deplete the reserves now credited to them. It has therefore amended the bill by deleting the five-year limitation for the depletion of reserve accounts. Non-profit organizations will therefore not be compelled to make such reimbursements for benefits paid its employees or former employees until such benefits equal the amount presently credited to their reserve accounts, no matter when that point may be reached."

This amendment was effected to Section 7 of the bill, amending proposed new section 383-62(f); Hawaii Revised Statutes (pp. 27-28 of **S. B. No. 312, S. D. 1**).

The department of labor and industrial relations has informed your Committee of another required change in the Employment Security Law which was not included in the bill as introduced. This required amendment, however, is not related to the amendments in federal law enacted by P. L. 91-373. It is necessitated by an amendment to the Social Security Act relating to the accumulation and use of funds credited to the state pursuant to section 903 of said law for administrative purposes. A recent amendment increased the period during which such funds may be accumulated for use by the state for purposes such as constructing a building for the employment security program.

Unless a concomitant amendment to our law, specifically in Section 383-123(b), is now approved, the State may stand to lose some funds which would otherwise be available. The Senate, therefore, based upon changes suggested by the department of labor and industrial relations, further amended the bill

by recommending the requisite extensions to which the amounts credited to the State apply. These amendments are contained in Section 12 of the bill, as amended; and subsequent sections have been renumbered accordingly.

It is imperative the foregoing amendments be adopted prior to the beginning of the 1972 calendar year because of the requirement of conformity with federal law as a condition for Hawaii employers to receive credit for contributions made under the Hawaii unemployment compensation law against payments which might be otherwise due under the Federal Unemployment Tax Act.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 312, S. 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 Yim.

SCRep. 788 Finance on S.B. No. 373

The purpose of this bill is to enable the State to assume the ownership and operation of Lanai Community Hospital.

Since December 20, 1965 the hospital has been owned and operated by the Community of Lanai City as a non-profit corporation. The State government has subsidized the operational deficits of the hospital for many years. By Act 195, Session Laws of Hawaii 1965, the State appropriated the sum of \$240,000 to construct a general hospital which is now the principal facility. On December 19, 1969, the Board of Trustees of the hospital unanimously voted to request the State to take over the Lanai Community Hospital and to make it a part of the Maui Memorial Hospital.

This bill provides for the transfer of the hospital to State jurisdiction, and the transfer of its employees to the State with applicable rights and benefits; subject, however, to certain conditions and requirements relating to securing civil service status: That the director of personnel services shall determine the applicability of chapters 76 and 77; and that employees for at least one full year shall be given regular status while those with less shall receive probationary appointment, both without examination.

In addition to solving the problems of funding the operating program and providing security for employees, it would make possible the advantages of such programs as centralized purchasing (including drugs), centralized laundering (which is not sent off-island), better in-service training programs for employees, and a staff pharmacist and hospital dietitian.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 373** and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 789 Finance on S.B. No. 385

The purpose of this bill is to allow a public employee who received workmen's compensation benefits, prior to the effective date of section 79-16, Hawaii Revised Statutes, to purchase retirement credits for periods of absence from work because of injuries incurred within the scope of his employment.

Section 79-16, which allows an employee absent from work because of injuries incurred in the scope of his employment and receiving workmen's compensation benefits to continue to earn vacation, sick leave, and retirement credits as though he were not absent but performing duties of his regular employment, was signed into law on July 1, 1967. (Act 124, Session Laws of Hawaii 1967).

What, then, of employees who were injured prior to the effective date of this law? In short, there is no provision under present statutes to permit them to purchase such credits from the retirement system.

It is apparent to your Committee that this inequity may have extremely adverse effects upon an employee's allowance, in the form of a substantial loss therefrom, when, in a given case, retirement is from employment which included a lengthy period or periods of absence attributable to job related injuries. This bill, where such employee received workmen's compensation benefits, allows him to purchase full **membership service** credit in the retirement system for such periods of absence in accordance with section 88-59 (relating to acquisition of credit for previous service).

The words "membership service" are hereinabove emphasized, as your Committee hereby recommends that the bill be amended by substituting that phrase for "prior service regarding the credits which may be purchased. This change, suggested on behalf of the board of trustees of the retirement system is consistent with language contained in sections relating to "membership" under Part II-B of chapter 88, as amended. See also the definition of "membership service" set forth under definitions contained in section 88-21 as amended, as being: "all service rendered by a member for which he had made the required contributions to the system."

Also, since this bill proposes the enactment of a new statute, without amendment to existing law, your Committee has omitted underscoring thereof, as compliance with House Rule 24(2) is unnecessary.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 385**, as amended herein, and recommends that it pass second reading in the form attached hereto as **S. B. No. 385, H. D. 1**, and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 790 Finance on S.B. No. 531

The purpose of this bill is to lapse all unallotted and unencumbered capital improvements appropriations and authorizations made previously after a specified period of time.

Down through the years, funds have been appropriated or expenditures have been authorized for capital improvement projects but have not been expended due to a variety of reasons, including changes in circumstances or the nonfeasibility of projects. Such appropriations and authorizations, by the Act appropriating or authorizing them, are normally restricted to specific projects enumerated therein.

As we pointed out in **Stand. Com. Rep. No. 163**, reporting on **H. B. No. 1314, H. D. 1**, recommending the immediate lapsing of certain funds for specific projects under certain Acts enumerated therein:

"Suffice it to say that although the capital improvements program may indicate quite precisely the required funds as well as the timing of projects for implementa-

tion, factors difficult to quantify at the time of programming may later intervene to greatly influence the actual initiation of construction. These are in addition to the more basic influences of revised program objectives, changes of scope and other impingements on the implementation of projects.

“A fundamental tenet to the recognized here is that the capital improvements program is not an inflexible document and that it must be adjusted or altered in accordance with changing real world conditions.”

The Senate, in amending this bill (S. B. No. 531) has carried this tenet a step further. Citing the limited debt margin available, the Senate has proposed lapsing on the basis of a timetable, stating:

“ . . . it appears that projects that have been appropriated more than five years ago should be lapsed in order that more current and timely projects can be financed. Similarly, provision should be made to lapse appropriations or authorizations for projects which may in the future not be allotted and encumbered after a reasonable period time has elapsed.”

Accordingly, the bill in its present form provides:

a) All capital improvement projects for which appropriations or authorizations were passed prior to 1967 and which are not encumbered by June 30, 1972 shall lapse as of that date.

b) Projects appropriated or authorized by Act 40, 1968, which are encumbered by June 30, 1973 shall lapse as of that date.

c) Projects appropriated or authorized by Act 155, 1969, which are unencumbered by June 30, 1974 shall lapse as of that date.

d) Projects appropriated or authorized by Act 187, 1970, which are unencumbered by June 30, 1975 shall lapse as of that date.

Establishment of June 30, 1972, as the lapsing date for projects appropriated or authorized prior to 1967, will allow the executive agencies to review all projects appropriated or authorized prior to 1967 and to take action within the next fiscal year. It may be possible that reappropriation or reau-

thorization of required projects will be necessary. Such action can be taken at the next session of the Legislature before the lapsing of such projects takes place.

Your Committee on Finance is in accord with the intent and purpose of S. B. No. 531, S. 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. 791 Finance on S.B. No. 586

The purpose of this bill, as amended, is to allow taxpayers over age sixty-five to claim a double tax credit on account of drug or medical expenses paid during the tax year.

As introduced, this bill proposed allowance of “old age” double tax credits for individual incomes and for rent, as well as for drug and medical expenses. In deleting the former provisions, the Senate Committee on Ways and Means, in **Senate Stand. Com. Rep. No. 565**, stated:

“Your Committee does not feel that a present need exists for allowing the aged a double tax credit for individual incomes or for rent and has therefore amended this bill by deleting sections 1 and 3. Your Committee does feel, however, that the tax credit for drug and medical expenses is particularly important to those persons over age sixty-five in that at this age they are more likely to have these expenses. This tax credit will act concomitantly with medicare to give the aged almost free medical care and drug expenses.”

It should be noted that section 235-56(i), which this bill amends, provides for reverse-graduated tax credit scale for drug and medical expenses. Thus, the lower a taxpayer's modified adjusted gross income, the greater the percentage of tax credit allowed; and, thus, the double credit hereby proposed is inherently more beneficial to those of the aged with low, often fixed, incomes.

Your Committee on Finance is in accord with the intent and purpose of S. B. No. 586, S. 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. 792 Finance on S.B. No. 622

The purpose of this bill, by amendment to section 6-16, *et seq.*, Hawaii Revised Statutes, is to broaden the powers and duties of the Hawaii Foundation for History and Humanities, generally by including a "research" function, and specifically by establishing (1) a review board for the register of historic places, (2) a center responsible for salvaged research, and (3) an inventory for portable artifacts significant to Hawaii's cultural heritage.

The review board for the Hawaii register of historic places hereby created meets the requirements of Public Law 89-665, and it is to evaluate and nominate historical properties to the National Register of Historic Places pursuant thereto, and to enter historical and archeological sites into the Hawaii register on the basis of value to our heritage. Members of the review board are appointed by the Foundation's board of trustees.

Under the bill, the Foundation of History and the Humanities is also charged with the responsibility of establishing a center for salvage research in areas designated by the Department of Land and Natural Resources as endangered by the lease, sale, or use of the public or private lands under its jurisdiction, for which it is empowered to establish a center.

Lastly, the bill charges the Foundation with maintaining an inventory and evaluation and certification system for portable artifacts significant to Hawaii's cultural heritage.

Since its inception pursuant to Act 236, Session Laws of Hawaii 1969, the Hawaii Foundation for History and the Humanities has never been funded, even for the purposes "set up in its establishing legislation". Thus, **S. B. No. 260, S. D. 1**, which is also before your Committee (and from which the quoted passage is exacted) recommends an appropriation of \$150,000 therefor. The bill immediately under consideration recommends an appropriation of \$50,000 in order to accomplish the purposes established under the Foundation's powers and duties broadened thereby.

Your Committee has, in effect, combines these bills herein, recommending an agree-

gate appropriation in the sum of \$200,000 and amending this bill to identify the program area funding separately, as aforesaid.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 622, S. D. 2**, as amended herein, and recommends that it pass second reading in the form attached hereto as **S. B. No. 622, S. D. 2, H. D. 1**, and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 793 Finance on S.B. No. 767

The purpose of this bill is to amend section 572-5, Hawaii Revised Statutes, by adding a new subsection requiring the department of health or its authorized agents to furnish each applicant for marriage license with information relating to population stabilization, family planning and birth control.

There is no present request or requirement for funding such a program.

As we noted in reporting on **S. B. No. 8, S. D. 2, H. D. 1**, in making an appropriation for continuation of the Hawaii Planned Parenthood Programs, these subjects have been exhaustively discussed elsewhere; and so, here, too, we shall not undertake a consideration thereof.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 767** and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 794 Finance on S.B. No. 942

The purpose of this bill is to effect certain recommended changes to the fund structure of the State by amending relevant sections of the Hawaii Revised Statutes to provide for the disposition of certain funds, the adjustment of the nature of certain funds, and the making of certain appropriations where necessary. These changes, recommended by the department of budget and finance, are intended to facilitate the legislative and executive review of the operating programs and the allocation of various fund resources.

As amended, the bill is concerned with the

following funds, amending the following sections:

1. Section 6-5, relating to the Captain Cook Memorial Fund, is amended to designate the same as a "trust" fund (vice a special fund).

2. Chapter 212 is amended by adding a new section creating a "foreign trade zones special fund" for operation and maintenance thereof.

3. Section 266-20, relating to maintenance of small boat harbors, is amended by creating a special fund for the maintenance and operation thereof, to be augmented by general fund appropriation if the same is insufficient.

4. Section 267-13, relating to disposition of revenues under the boating law, is amended to provide that all fees and charges collected shall be deposited into the small boat harbors special fund (vice general fund).

5. Chapter 298, relating to schools, is amended by adding a new section creating a special summer school fund into and from which receipts and expenditures related thereto shall be made.

6. Chapter 299, relating to driver education, is amended by adding a new section allowing the board of education to assess fees for the student driver education program, to be deposited into the general fund.

7. Section 304-61, as amended, is further amended by creating a Leahi Hospital special fund, into and from which its revenues and expenditures shall be made. This amendment was effected by the Senate and conforms to the legislative policy of establishing special funds for all public hospitals and related medical facilities.

8. In order to provide for continuing services of the agencies and programs affected by this bill, sums are appropriated from the general fund to supplement the General Appropriations Act, as follows: Driver education (department of education): \$145,000. Vocational rehabilitation division, blind persons' vending stands (department of social services and housing): \$20,000.

9. There is a provision that in the event of conflict with federal grants-in-aid, requirements of the United States shall govern as prescribed by section 29-15.

The Senate chiefly amended this bill by deleting an entire section, the intent of which was to delete from section 322-65 the segment permitting the use of fees by the air pollution control section for the purchase of equipment, since such needs are provided in the operating budget. The department of budget and finance presented testimony that this section is unnecessary since its purpose has already been accomplished by Act 60, Session Laws of Hawaii 1968.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 942, S. 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. 795 Finance on S.B. No. 946

The purpose of this bill is to amend the Temporary Disability Insurance Law to (1) provide a method for computing the benefit amount of a disabled individual who, at the time he became disabled, was performing some form of less than full-time work and receiving unemployment compensation benefits and (2) limit the duration of benefits payable to the disabled unemployed so they will not receive benefits for longer periods than other claimants under the law.

Section 392-65, Hawaii Revised Statutes, presently provides for the payment of temporary disability benefits from the special fund to individuals who become disabled while unemployed and who subsequently become ineligible for unemployment compensation benefits. These individuals are referred to as "disabled unemployed" in the law. Under Section 392-66, a person in the foregoing category is paid weekly benefits in the same amount he would have been entitled to under the unemployment compensation law. A person who was performing no work would thus receive an amount equal to his weekly unemployment benefit amount. A person who was performing less than full-time work and receiving partial unemployment benefits, however, would receive a weekly disability benefit equal to his partial benefit amount; and this may be considerably lower than the amount received by an individual who was performing no work.

This "injustice", according to your Committee on Labor, which considered companion **H. B. No. 1089**, "is the result of an

apparent oversight". (**Stand Com. Rep. No. 476**).

This bill proposes to correct this incongruity by providing, as introduced, that "a disabled unemployed person who is performing some form of short-time work . . . at the time the disability arises . . . shall receive benefits he would have been entitled to had he not been performing such short-time work." In effect, he would be entitled to receive temporary disability insurance benefits in an amount equal to the full amount he would have been entitled to had he not been performing any work.

Section 392-66 also provides that benefits payable thereunder "shall not be payable for a period longer than the remainder of the period of unemployment for which benefits would have been payable" under the unemployment compensation law. The effect of this provision presently is to limit payments to 26 weeks, the same benefit duration as is provided for claimants who become disabled while employed. Recent federal legislation on unemployment insurance, P. L. 91-373, will require extended benefit provisions in our unemployment compensation law, provisions which call for 13 additional weeks of compensation under certain conditions.

These extended unemployment compensation benefits are the subject of **S. B. No. 312, S.D. 1**, which has been transmitted from the Senate, considered by your Committee, and is being reported out with a recommendation for passage concurrent herewith. Passage thereof will result in an anomalous situation where the disabled unemployed may be entitled to 39 weeks of benefits and persons who become disabled while employed would only be entitled to 26 weeks of temporary disability benefits.

This bill proposes to limit the duration of benefit payments to the disabled unemployed to 26 weeks to equalize the duration of benefits payable to both categories of disabled persons.

The Senate, upon consideration of this bill, and upon the recommendation of the director of labor and industrial relations, amended it by substituting the term "less than full-time work" in place of "short-time work" wherever it is used in the bill, because the former term "is a more commonly accepted description of the work involved" than the latter.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 946, S. 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. 796 Finance on S.B. No. 948

The purpose of this bill is to exempt from Hawaii income taxation international carriers of foreign countries that have income tax treaties with the United States.

At the outset it should be made perfectly clear that the exemption hereby proposed applies if, and only if, state-level governments of the foreign country reciprocate on a similar basis by exempting the income derived from the operation of ships or aircraft which are documented or registered under the laws of the United States.

The Federal Government has entered into more than 22 income tax treaties with other countries to eliminate double taxation at the national level and to otherwise promote international trade and investment. Each of these treaties also provides for the reciprocal tax exemption of international shipping and airline companies which is intended to eliminate the tax compliance burden that such companies would be confronted with if they had to pay taxes in all of the countries where they conducted operations.

However, state, provincial and municipal income tax exemptions are not provided for in these treaties. Under the income tax laws of Hawaii, foreign international carriers conducting business in Hawaii are subject to the income tax. On a similar basis, American international carriers are subject to income taxes of provincial governments of foreign countries.

In order to eliminate existing tax burdens on international commerce, the U. S. Secretary of the Treasury has requested that the State of Hawaii amend its income tax law to provide for exemption from state income taxes for foreign international carriers. This bill accomplishes that purpose by an appropriate amendment to section 235-7(a).

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 948**,

and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 797 Finance on S.B. No. 975

The purpose of this bill is to establish a program of equal educational opportunity at the University of Hawaii and to make an appropriation for establishment of an office therein to develop, evaluate and otherwise coordinate programs relating thereto.

The need reputed for such a program is expressed in Section 1 of the bill; and it has been said by the Senate Committee on Higher Education in **Senate Standing Committee Report No. 250**:

“Your Committee is amply aware of the unfortunate impact of economic and social status on the educational parameters of the individual. This situation becomes circular in effect as economic and social heritage is passed from one generation to the next, resulting in an increasing group of people who are locked out of the educational system, even as the State professes to provide educational opportunities for all. Your Committee therefore believes that this bill is, if anything, long overdue, and heartily endorses its intent and purpose.”

So stating, the bill was amended to provide an appropriation of \$80,000; and the bill was thereafter amended by the Senate Committee on Ways and Means to clarify that the same was for the fiscal biennium 1971-73.

Your Committee on Finance concurs in the aforementioned expressions of need for the program proposed. However, without the benefit of a proposed position count necessary for its administrative support, we are unable to endorse an appropriation in the sum suggested. Considering the nature and amount of effort necessary to achieve the purpose of this program, we should imagine \$30,000 per year is sufficiently adequate for competent staffing and equipment. The bill has been so amended.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 975, S. D. 2**, as amended herein, and recommends that it pass second reading in the form at-

tached thereto as **S. B. No. 975, S. D. 2, H. D. 1**, and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 798 Finance on S.B. No. 1059

The purpose of this bill is to amend certain provisions of chapter 208, Hawaii Revised Statutes, known as the Depressed Areas Redevelopment Act, to make it a more effective and responsive tool in rendering aid to pocket areas of unemployment and areas where a major employer is on the verge of terminating operations which may result in an abnormal number of jobless workers.

Your Committee on Economic Development, in reporting on **H. B. No. 1286**, the companion measure to **S. B. No. 1059**, in **Stand. Com. Rep. No. 538**, has concisely delineated the substantive changes this measure would make. Enumerated below are amendments sought hereby:

1. Allow for the designation of a judicial district to be designated as a depressed area.
2. Reduce the period of time in which unemployment exceeds seven per cent or more from twelve consecutive months to a period of six consecutive months.
3. Allow the director to expend moneys from the depressed area funds for such purposes as studies, surveys and feasibility analyses to determine the eligibility of districts to be designated as depressed areas. Also, to draft general economic development and redevelopment plans for the State, counties and district, to assist in the attraction of new business enterprise, expand existing business enterprise, prevent the termination or curtailment of operations by existing employers, or find new employment for those districts designated as depressed areas.
4. Delete the prohibition of depressed area funds for use as working capital to operate any business in a depressed area, and to limit the period of time to five years in which the maximum amount of \$500,000 can be expended in any redevelopment area.

The key provision is that which would allow the designation of a judicial district as a depressed area. Under existing law the smallest geographic area which can be designated as a depressed area is a county. This bill

which allows a district to be designated as a depressed area would enable the State to focus more precisely on these pocket areas of unemployment or where a major employer is about to terminate operations. If these pocket areas had to qualify under a county designation, it would not be possible for these areas to become eligible for assistance unless the entire county met the criteria for designation established under the existing law. The closing of the Kohala Sugar Company is an example of this problem. To be considered for designation as a depressed area, Kohala would have to be considered along with other districts with good employment records such as Hilo, Puna, and Kona. On the other hand, if we were to consider only the district of North Kohala, there would be little doubt that this district would qualify as a depressed area. A loss of 500 jobs in a community of some 3,500 persons would easily meet the requirements of the loss of a major employer in a district.

As introduced, this bill provided, in Section 2, for an appropriation of \$750,000 out of general revenues, to be expended by the department of planning and economic development, for the purpose hereof. By floor amendment, adopted April 5, 1971, the Senate deleted Section 2 on Page 5, and subsequent sections were appropriately renumbered. In conjunction therewith, it should be noted that an adequate appropriation has been provided to the department of labor for a re-employment training fund in the General Appropriations Act.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 1059, S. 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. 799 Finance on S.B. No. 1075

The purpose of this bill is to fund continuance of the research and development phase of a project to improve communications and increase the efficiency and effectiveness of the telecommunications for education, health, agricultural, and nonprofit community development purposes by utilizing existing communications satellite facilities and newly developed low-cost transmitting and receiving equipment for experimental purposes. The ultimate goal for this project, called PEACESAT, is to apply the benefits of com-

munication satellite technology to the improvement of education in Hawaii, and ultimately throughout the Pacific area.

Your Committee on Higher Education, reporting on companion **H. B. No. 1143** in **Stand. Com. Rep. No. 338**, has stated:

“The University at the request of Governor John A. Burns has taken leadership in arranging for the utilization of the ATS-1 satellite for Pan-Pacific educational exchange. The communication system consists of using the ATS-1 to relay messages between ground stations located in one or more communications centers with speakers and microphones. The ground stations can be located in geographic locations throughout the Pacific. Among the advantages of such a system are: (1) it permits voice dialogue; (2) many locations can be interconnected at one time; and (3) it requires very limited staff and low cost ground stations.

“The University has developed a prototype ground station and successfully conducted transmission tests. The funds requested in this bill will enable the University to expand its ground stations and provide a base to move ahead with other universities in the Pacific.

“The ultimate benefits of this system for Hawaii include: (1) achieving a foothold on whatever is in the future for telecommunications; (2) enabling the University to represent education in dealing with new modes of communication media; (3) getting University faculty and administrators to gain experience in use of telecommunications to achieve greater effectiveness and efficiency in communications; and (4) achieving reciprocal benefits from interchanges of knowledge and information between universities. Furthermore, this kind of communication system is especially important for Hawaii because communication through satellite achieves the best kind of communication in terms of our geographic location.”

Your Committee on Finance concurs with these findings. Your Committee on Higher Education has also found that an appropriation in the sum of \$75,000 shall be necessary for the purpose hereof; and, in that finding, also, we concur.

On the other hand, the recommendation of the Senate Committee on Higher Education that \$150,000 would be required (**Senate Standing Committee Report No. 455**) was modified by the Committee on Ways and Means to \$30,000.

Your Committee has amended the bill to restore the recommended appropriation in the sum of \$75,000.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 1075, S. D. 2**, as amended herein, and recommends that it pass second reading in the form attached hereto as **S. B. No. 1075, S. D. 2, H. D. 1**, and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 800 Finance on S.B. No. 1083

The purpose of this bill is to make an appropriation to the office of the lieutenant governor for the purpose of conducting a study on the entire election system of the State, including, but not limited to, the form and content of ballots, uniformity of election procedures and materials throughout the State, applicability to elections in the State of certain newly developed equipment for receiving and tabulating votes, utilization of computer technology for maintenance of voter lists and other stored data pertinent to the electoral system, and election record keeping.

It has been a year since the revision of Hawaii's election laws (**Act 26, Session Laws of Hawaii 1970**), and your Committee believes that, one election having been conducted pursuant thereto and before the next, it is time to examine into the operative effect thereof. For example, the maintenance of election records differs between the various counties, with Honolulu using computer tapes and the other counties using older, less sophisticated methods. In addition, other means of electronic and mechanical vote tabulation have come into being since the adoption of the present system and should be considered in relation thereto.

The Senate has recommended an appropriation of \$15,000 as sufficient to conduct the study authorized hereby.

Your Committee believes, and we hereby

find, that said study will fulfill the following public purposes:

(1) Design of a program for computerization to assure that Hawaii remains up-to-date with current techniques and mechanisms for the recordation of voting data in the interest of efficient and economical use of time, money, and labor;

(2) Review of regulations and procedures applicable to the electoral process with respect to both voting and voter registration for objectives of the broadest feasible citizen access to the electoral process in the interest of maximizing citizen participation in the democratic system of government;

(3) Develop methods to supply citizens with increased information about the electoral process, candidates, and issues in the interest of an informed citizenry; and

(4) Assess generally the operation of the recently revised election laws, including the operation and techniques of the electoral process as affected by such revision, in the interest of efficient government operations.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 1083, S. D. 2**, and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 801 Finance on S.B. No. 1208

The purpose of this bill is to provide for the continuance of the Commission on the Year 2000 created by **Act 96, Session Laws of Hawaii 1970**, and to make an appropriation therefor.

Continuance of the Commission is achieved in Section 1 of this bill by deleting that portion of section 4 of **Act 96** limiting its effect until June 30, 1972. An appropriation in the sum of \$100,000 for the fiscal biennium 1971-73 is recommended for meeting expenses of the Commission and is contained in Section 3 of the bill, as hereinafter stated.

In summary of the duties stated in **Act 96**, the Commission is directed to:

1. Study the effects of changes on social systems produced by scientific and technological achievements;

2. Assess the future of Hawaii;

3. Devise and recommend legislative and administrative action to achieve the goals of the State;

4. Assist and coordinate activity concerned with the future of Hawaii;

5. Stimulate and promote awareness of scientific and social changes within the State.

The nine (9) member Commission, to be appointed by the Governor, will serve without compensation other than expenses incurred while carrying out their duties. The funds are intended for:

1. Publication and distribution, for educational purposes, of the Proceedings of the Governor's Conference On the Year 2000, held in 1970.

2. Conducting or attending conferences dealing with futuristics.

3. Contracting for those research and publication services the Commission deems necessary to meet its duties.

The work of the citizen Task Force created to examine the future of Hawaii and the Task Force reports made during the Conference On the Year 2000 has been a primary factor in alerting all of Hawaii to the critical level of its social and natural environmental problems and suggesting a reasoned course of action to solve these problems.

By providing a focus and framework within the government to bring together the knowledge and interest of the State's citizenry with internationally known futurists, the Commission is acting in the highest interest of the State in developing the methods to ensure the best possible quality of life for the people of Hawaii.

In addition, this pioneering work has stimulated national and international interest in Hawaii's approach to identifying and solving social problems of today and the future.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 1208** and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 802 Finance on S.B. No. 1313

The purpose of this bill is to appropriate funds for the establishment of a revolving fund to provide working capital for the student bookstores on the Community College and Hilo campuses. The fund will be replenished through charges made for goods and services by the said college bookstore.

During the developmental phase of these campuses, bookstores necessary for furnishing instructional materials to their students were established under the fiscal control of the University Bookstore-Manoa Campus. That store provided the initial working capital funds to get them started and also provided training and management services. The advent of the new Manoa Campus Center-Bookstore, however, will shortly require that these funds be returned to Manoa to provide for a major increase in inventory. In the future, any cash surpluses generated by the Manoa store will serve to reduce that portion of the student fee, which, only on the Manoa campus, must be assessed to pay the bonded debt service on the Campus Center-Bookstore. Thus, the Manoa Bookstore will be unable to continue its colonial subsidy of the new bookstore operations for other campuses in the system.

The requested appropriation is in the sum of \$285,000, which is the amount recommended by the Senate.

Your Committee, after review and analysis of the availability of the working capital for operation of the respective Community College and Hilo Campus bookstores, finds that there is need for establishing a revolving account of \$285,000 out of the general revenues of the State to provide working capital for the bookstores. Summarized below are the computations by which the appropriation proposed in the bill was arrived at.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 1313, S. 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.

Estimated Capital Requirements	Community College Bookstore	Hilo College Bookstore	Total
Requirements	\$ 356,952	\$ 95,000	\$ 451,952
Add Cash Deficit 6/30/73	16,027	23,765	39,792
Required Capital Subsidy Before Inventory Adj.	\$ 372,979	\$ 118,765	\$ 491,744
Less Inventory at 6/30/70	190,636	18,845	209,481
Required Capital Subsidy	\$ 182,343	\$ 99,920	\$ 282,763

SCRep. 803 Finance on S.B. No. 943

The purpose of this bill is to amend section 213(b) of the Hawaiian Homes Commission Act to permit the department of Hawaiian home lands to guarantee loans made by commercial lending institutions to Hawaiian homesteaders.

Under present law, moneys in the Hawaiian home-loan fund are available as direct loans to lessees; and such loans may be made only for the purposes enumerated in section 214, as amended, including the purchase or erection of dwellings, which, under section 215, as amended, shall not exceed \$25,000.

Your Committee is informed that under the present arrangement, financial resources of the department are limited to the construction of some thirty homes per year. There are, on the other hand, 2,800 or more applicants awaiting home loans. Obviously, then, the department's present housing program, through no fault of its own, can afford little more than lip service to meeting the purpose of the Act.

Strapped by the limited availability of funds for direct loans, some alternative method must be found for financing the program to a meaningful level of home and improvement construction. Lending institutions have expressed a willingness to make loans to homesteaders if the department of Hawaiian home lands could guarantee such loans, since, at present, Hawaiian home lands cannot be encumbered or used as collateral for home loans.

The bill is designed to grant the department that authority, i.e., to make available moneys in the fund for "guarantees of the repayment of or otherwise underwriting any authorized loan including loans by financial

institutions." Thus, the program is similar to FHA housing programs, the guaranteed loan serving as the security; thus, funds to cover delinquencies and default are required, experience showing that this amount will vary from five to ten percent of the loans outstanding.

Your Committee completely appreciates the need to expand this program, and at first blush we would have no disagreement with precisely the means proposed. However, upon more careful consideration, in view of prevailing economic conditions and the present financial status of the State government, it is desirable that any solution to resolve the housing problem of homesteaders avoid, as much as possible, the necessity of increasing the State's bonded indebtedness. With this latter objective in mind, your Committee recommends that the language of this bill be amended so as to clarify authorization for the use of cash-on-hand in the Hawaiian home-loan fund for the purposes hereof, i.e., to obtain financing from lending institutions.

Accordingly, your Committee recommends that the proposed amendment, the substance of which is quoted above, be deleted in its entirety, and that the following, as an amendment to that portion of section 213(b) of the Hawaiian Homes Commission Act relating to the Hawaiian home-loan fund, be substituted therefor:

"The moneys in said fund shall be available for loans to lessees as provided for in this Act, and for the payments provided for in section 209(1). In addition moneys up to \$500,000 each year from cash-on-hand in the fund may be used to assist in obtaining home loans from financial institutions, provided that the total sum so used in obtaining such loans shall not ex-

ceed the amount of cash-on-hand available at any time for the payment of loans in default, and provided, further, that the liability of the State shall be limited to the amount of said cash-on-hand of the home-loan fund. Moneys shall not be expended for any other purpose whatsoever, except as provided in subsections (c) and (d) of this section.”

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 943**, as amended herein, and recommends that it pass third reading in the form attached hereto as **S. B. No. 943, H. D. 1**.

Signed by all members of the Committee.

SCRep. 804 Finance on S.B. No. 902

The purpose of this bill is to implement Act 137, Session Laws of Hawaii, 1970, by appropriating additional funds for the fiscal biennium 1971-1973 and by easing the restrictive language of portions of Act 137 which hampered the marine affairs coordinator in carrying out the intent of the Act.

The appropriation recommended, to be expended by the marine affairs coordinator (subject to restraints set forth in section 3 of Act 137) is in the sum of \$400,000 for the biennium, at \$200,000 per year, “for support of marine facilities located within the State when such facilities are employed for survey, research, development and promotion of Hawaii’s marine resources or marine environment; provided that any expenditure of State funds shall be matched by an equal amount from private institutions or local government or in the alternative shall be matched by twice the amount by funds provided by the federal government; provided, when matching funds are not available and when the research proposed is deemed to be vital to the marine interest of the State of Hawaii and when the marine facility is otherwise idle then such expenditure of State funds need not be matched.” Staff and equipment costs are provided for in the General Appropriations Act.

The restrictive language of Act 137 which is eased hereby is contained in section 4(e) thereof, that the pilot marine resources survey be confined to the “area within boundaries set at Koko Head and the north margin of Kahana Bay . . .” By amendment thereto, such surveys may be “of areas of the State . . . deemed by the marine affairs coordinator to have resource significance . . .”

This amendment is found in Section 2 of the bill, as is an amendment to section 4(f) of Act 137 which permits the use of State funds to match not only private funds but also matching funds provided by local governments.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 902** and recommends that it pass third reading.

Signed by all members of the Committee.

SCRep. 805 Finance on S.B. No. 99

The purpose of this bill, as amended, is to formally establish a correctional diagnostic center staffed by psychiatrists, social and correctional workers, technicians, and other personnel as may be necessary, to aid in the rehabilitation of prisoners.

Your Committee on Public Institutions to which this bill was initially referred, noting in **Stand. Com. Rep. No. 387** hereupon, that it is a companion to **H. B. No. 375**, that in addition to the establishment of a diagnostic center, both original bills appropriated funds for capital improvements, but that this bill has eliminated the appropriation therefor, stated:

“Your Committee has held public hearings on both versions of the bill. Operationally, the diagnostic center has been satisfactorily functioning for almost a year. This bill will formally ratify existing practice. As for the capital improvement aspect, there are presently available unexpended funds from prior appropriations to enable the department to complete the planning of the permanent diagnostic facility. While the department and other agencies interested in this program testified in favor of **H. B. No. 357**, they all agree that **S. B. No. 99, S. D. 1**, is acceptable for the present.”

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 99, S. D. 1**, and recommends that it pass third reading.

Signed by all members of the Committee.

SCRep. 806 Housing and Consumer Protection on S.B. No. 833

The purpose of this bill is to amend certain sections of Chapter 359G, Hawaii Revised

Statutes, (Act 105, Session Laws of Hawaii 1970), primarily to dovetail the state housing program with federally assisted housing programs and to avoid conflicts that would deter or retard the development of housing under Act 105. The bill also effects other changes for purposes of clarity.

More particularly **S. B. No. 833, S. D. 2**, amends Chapter 359G in the following respects:

SECTION 1. Presently, sub-section (b) of section 359G-4 provides that any rules or regulations promulgated thereunder by the Hawaii Housing Authority (Authority) shall be subject to approval of the legislative body of each county in which they will be effective.

It seems unnecessary that a county legislative body should have the veto power over all rules and regulations promulgated by the Authority under Chapter 359G. Thus, **S. B. No. 833, S. D. 2**, provides for the (1) promulgation of rules and regulations necessary to carry out the purpose of this chapter without the consent of the county legislative body, and (2) it also provides for the promulgation, only upon the direction of the governor, of such rules and regulations on health, safety, building, planning, zoning, and land use which relate to the development, subdivision, and construction of dwelling units in projects in which the state through the Authority shall participate, which rules and regulations would allow non-conforming projects, with the consent of the county legislative body. Thus, a county legislative body would have a review of only such rules as would allow non-conforming projects within that county.

SECTION 2. Section 2 of the **S. B. No. 833, S. D. 2**, amends section 359G-4(e)(5), Hawaii Revised Statutes, to expressly provide for the payment of any community information and advocacy services deemed necessary by the Authority to provide for citizen participation in the development of housing projects, the implementation of Chapter 359G, and the staffing of any citizen advisory committee the Authority may establish.

This amendment simply makes express what appears to be implied under section 359G-4(e)(5), which generally authorizes "payment of any services contracted for under this Act." The amendment will allow a machinery for citizen reaction to a housing project early in the development stage.

SECTION 3. The law presently provides that prior approval of the Land Use Commission is required for the development by the Authority of conservation or agricultural land. Matter with respect to conservation land is more properly within the jurisdiction of the Board of Land and Natural Resources. The amendment merely reflects approval to issue from the proper agency so that prior approval for conservation land shall issue from the Board of Land and Natural Resources and prior approval for agricultural land shall issue from the Land Use Commission. This is a housekeeping amendment.

SECTION 4. Section 4 of **S. B. No. 833, S. D. 2**, amends section 359G-9 by adding a new sub-section which empowers the Hawaii Housing Authority to waive certain restrictions under certain conditions. Section 359G-9 now provides, under sub-section (a)(2), (a)(3) and (b) thereof, that the Authority shall have a right of buy-back within the first ten years of a dwelling unit sold by the Authority under Chapter 359G, and provides further for a recapture of subsidy made by the Authority if a purchaser conveys his dwelling unit after ten years after date of purchase. The proposed amendment allows the Authority to waive the restrictions under sub-sections (a)(2), (a)(3) and (b) if the state makes no subsidy in the form of unrecovered land costs or unrecovered development costs except such tax relief granted under Section 359G-15, and except such cost, if any, (1) allocable to the staff of the Authority in the administration of a partnership, (2) for training of labor under Section 359G-13, and (3) for the development of innovative techniques and research under Section 359G-14.

The restrictions under the sub-paragraphs (a)(2), (a)(3) and (b) of Section 359G-9 as they now read are not acceptable by the Federal Housing Administration for purposes of insuring home mortgages. If the state makes no subsidy in the form of unrecovered land or unrecovered development costs except such tax relief, etc. as aforesaid, then there appears to be no compelling reason to impose restrictions of buy-back and recapture of subsidy made. This presumably enables the Authority to develop homes which can qualify for federally assisted home mortgages, thereby relieving the State of some financial assistance that the State would otherwise have to make to home buyers.

Upon consideration of this matter, your Committee finds that without the buy-back

provision, it would not only tempt and invite speculation on the part of buyers who will still have purchased at a lower cost because of tax relief, etc., but also deprive the Authority of control of dwelling units which it could otherwise have repurchased, resold and channeled to other deserving low and moderate income persons. Moreover, your Committee was advised that a buy-back provision for the first 10 years only would not be objectionable to the Federal Housing Authority in qualifying the dwelling units for home mortgages. Accordingly, your Committee has amended **S. B. No. 833, S. D. 2**, to provide for a right of repurchase by the Authority within the first 10 years at a price not to exceed the greater of the amount of the original cost to the purchaser or the fair market value at the time of transfer to the Authority.

SECTION 5. Section 5 of **S. B. No. 833, S. D. 2**, adds a new section to Chapter 359G which authorizes the Authority to provide interim construction loans to developers whose housing projects qualify for federally assisted project mortgage insurance, federally assisted home mortgage insurance, or other similar programs of federal assistance to persons of low and moderate income housing. Chapter 359G does not presently allow the lending of interim loan funds for construction of homes. It allows only the providing of interim construction loans to a partnership consisting of a developer and the Hawaii Housing Authority for the purpose of constructing homes under said Chapter 359G. The amendment in **S. B. No. 833, S. D. 2**, will allow the Authority to have more financial leverage with its funds by concentrating on short term construction loans than to tie up the loan funds in long term, take-out loans on the individual dwelling units. The condition that these projects qualify for federally assisted mortgage insurance and other similar programs provides a built-in check on the feasibility of the project without supervision by the Hawaii Housing Authority.

SECTION 6. Section 6 merely clarifies the scope of Section 359G-16 with respect to the exemption from general excise tax. The general language of Section 359G-15 does not specifically mention that the gross proceeds received by contractors for the construction of housing under Chapter 359G shall be exempt from general excise taxes, although it can be reasonably implied in view of the spirit and purpose of Chapter 359G. **S. B. No. 833, S. D. 2**, expressly allows the exemption to

such gross proceeds received by contractors. The exemption shall apply to housing projects developed pursuant to Section 359G-6 and Section 359G-11.

SECTION 7. **S. B. No. 833, S. D. 2**, clarifies Section 359G-4(c) in the respect that the right of the authority to acquire "property" includes vacant land, or land with site improvements or finished dwelling units. There is a need for the authority to be able to acquire finished dwelling units in order to effect relocation of displacees, especially those displaced by government action. Government projects, in housing or otherwise, can proceed in a more orderly fashion with minimum disruption to those affected by displacement. Moreover, cost savings can be effected by the Authority because of cash purchases and volume purchases. The Authority is expressly limited to purchase such dwelling at price not to exceed the limits established from time to time under the Section 235 program Home Ownership for Lower Income Families, as administered by the Federal Housing Administration, U. S. Department of Housing and Urban Development.

Your Committee on Housing and Consumer Protection is in accord with the intent and purpose of **S. B. No. 833, S. D. 2**, as amended herein, and recommends its passage on second reading in the form attached hereto as **S. B. No. 833, S. D. 2, H. D. 1**, and that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 807 Agriculture on S.B. No. 13

The purposes of this bill are: 1) to control the sale and use of pesticides to minimize unsafe or improper use on food crops, livestock and poultry and to minimize contamination of plants, soil, livestock, poultry, aquatic life, and wild fauna and flora; 2) to restrict the sale of certain hazardous pesticides for household use; 3) to institute an educational program on proper use of pesticides; and 4) to create an advisory committee on pesticides to assist the department of agriculture in promulgating rules and regulations to effectuate the purpose of this chapter.

These purposes are proposed to be realized by repealing chapter 151, Hawaii Revised Statutes, and amending chapter 149, Hawaii Revised Statutes.

Chapter 151, Hawaii Revised Statutes, regulates the sale and use of only 2,4-D and other related hormone-type herbicides. This chapter has been repealed in that 2,4-D and other hormone-type herbicides are pesticides covered under the amended chapter 149 and to leave it in would be redundant.

There is growing concern about pollution of the environment by pesticides, residues of which have been found in foods at levels in excess of tolerances established by the federal government. Many reports have cited adverse effects on the food chains of wildlife and in some instances the health of man.

The present law has effectively provided for adequate information and guidelines on the safe uses of pesticides. However, the law does not require the user to apply pesticides in accordance with or within the limitations indicated on the registered label attached to the pesticide. Your Committee is of the opinion that pesticides should be applied only in accordance with label directions since usages have been evaluated and approved of by qualified experts at the federal level. This bill requires the use of pesticides in accordance with label directions and also provides for inspection and education to effectuate its purpose and intent.

Pesticides are useful tools when they are properly used. They are necessary to combat the myriad of pests that thrive under Hawaiian conditions and continually threaten food production, building structures and the natural environment. To assure the safe and discriminate use of pesticides, chapter 149, Hawaii Revised Statutes, relating to economic poison has been amended. The major amendments to chapter 149 as the originally introduced bill proposes are:

1) Changing the term "economic poison", a misleading and confusing term to "pesticide", the term adopted by the federal government and many other states.

2) Creating an advisory committee on pesticides to assist the department of agriculture to carry out and effectuate the purposes of this bill through the promulgation of rules and regulations.

3) Licensing procedures, conditions and fees required of dealers, wholesalers and retailers including record-keeping requirements for the sale of certain hazardous or persistent pesticides. Allowing also, for sus-

pension or revocation of the license for violations of any condition of the license.

4) Requiring the user to apply pesticides within the limitations set forth on its registered label. Pesticides are accepted for registration only when its usage is determined as safe by the Federal Environmental Protection Agency, and the direction for such safe usage is placed on its label.

5) Requiring permits for commercial farmers and pest control operators.

6) Authorizing the department of agriculture to cooperate with the cooperative extension service and other agencies to provide educational programs and assistance to pesticide users.

7) Authorizing the department of agriculture to inspect pesticide application methods and equipment, to examine and collect samples of plants, soil, and other materials to determine whether pesticides are being used in an authorized manner and if not, to assist the farmer to utilize the pesticides properly.

8) Authorizing the department of agriculture to promulgate rules and regulations to effectively carry out this chapter, including prohibitive acts and penalties for violation of such prohibitive acts.

9) Allowing for exemptions from this chapter to the University of Hawaii and other agencies carrying out research and experiments in this field.

There is mounting evidence that pesticide misuse is one of the major contributing factors of environmental pollution. Existing statutes do not restrict the sale and use of certain hazardous pesticides for household purposes. Restricting sales is the most feasible approach of minimizing detrimental effects of careless use of household pesticides.

Your Committee believes that unless pesticide sales and usage are regulated or controlled, statewide pollution by pesticides could occur. This would necessitate banning numerous pesticides, many of which are necessary or irreplaceable for the efficient production of food and the control of disease carrying insects. The effect on food production and disease vectors could very well result in the reduction of the quality of life we now enjoy.

Under present state statutes, there is no agency following up on usage after a pesticide is registered. Limited surveys recently completed by the department of agriculture indicate several misuses which could cause contamination, damage or injury to man and his environment. For this reason and others, your Committee deems it essential to effectuate regulations and controls on pesticides.

Your Committee upon careful consideration of this bill recommends several amendments:

1) To realize a fairer representation of the farming community, your Committee has added the Hawaii Farm Bureau Federation to the list of those to be included on the advisory committee on pesticides. The Hawaii Farm Bureau Federation is expected to represent all segments of farming.

2) Retailers have been omitted from those requiring an annual license from the department of agriculture for exposing or offering for sale or soliciting or receiving orders for the selling of certain pesticides designated by regulation. The rationale for this is that the small retailers should not be required to obtain such licensing which would hamper their operations. The wholesalers and dealers of these pesticides are the only ones who are required to obtain an annual license as the bill is amended, with the idea in mind that the objectives for licensing will be realized at this level.

3) The original bill proposed to impose an annual registration fee of fifteen dollars for each pesticide registered. The additional five dollars collected was intended to supplement the cost of conducting tests by the University of Hawaii and also to cover some of the overhead cost of record-keeping and issuing of permits. However, your Committee has retained the present ten dollar registration fee because it feels that this amount is sufficient to realize its objectives.

4) Realizing the federal government is in the process of reorganization in the area of pollution control, the United States department of agriculture may not be the appropriate conforming agency to this act on the federal level. Your Committee therefore, has amended the bill by deleting, "United States department of agriculture", and in its place has inserted "appropriate Federal agency", leaving it open for the proper agency when so designated.

5) Mindful of the fact that total banning of a pesticide could in some instances cause economic hardship to the farmer, your Committee has amended the section relating to pesticide registration by allowing the cancellation of a pesticide registration only after a reasonable, economically feasible alternative has been found.

6) Your Committee has deleted all segments of the bill dealing with the issuance of permits to commercial applicators with the feeling that permits can serve no useful purpose at this time.

7) To specify certain rules and regulations in this chapter would defeat the purpose of authorizing the department to do these things. Thusly, your Committee has deleted various rules and regulations which it feels should be left to the discretion of the department of agriculture.

8) The right of entry provision has also been deleted for the reason that the department has sufficient means to do so through the obtaining of a warrant if reasonable cause is proven that an offense is taking place.

Your Committee is of the opinion that prosecution and the imposition of a penalty upon a violator take place only after a careful review of all instances leading up to the violation has been conducted. A violator who can prove reasonable and just cause of such a nature which would result in economic hardship to himself should receive favorable consideration.

9) Other minor amendments have been made to the bill for the purpose of accommodating technical errors found within the bill.

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 the improper or unauthorized uses of pesticides which would contaminate and pollute man and his environment.

The quality of life we now enjoy, the abundance and variety of high quality food, freedom from household pests that annoy us or which spread disease, are enhanced by the use of pesticides. This quality of life can be maintained with minimal adverse effects on the environment by the safe and discriminate use of pesticides as provided for in this bill.

Your Committee on Agriculture is in accord with the intent and purpose of **S. B. No. 13, S. D. 1**, as amended herein, and recommends its passage on Second Reading in the form attached hereto as **S. B. No. 13, S. D. 1, H. D. 1**, and its referral to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 808 Higher Education on S.B. No. 716

The purpose of this bill is to amend the student loan assistance program in the following respects: (1) to extend the program to include summer sessions; (2) to fix the interest rate at three per cent; and (3) to provide for repayment of principal and interest in periodic installments nine months after graduation or withdrawal from a degree program.

Your Committee believes that enabling students to borrow money to attend summer sessions is a move in the right direction because it opens an option for students to accelerate their college program. Fixing the interest rate at three per cent will mean that a student will know exactly how much he needs to repay. Repayment of the loan in periodic installments provides for more flexibility, especially when small loans can be repaid on a quarterly rather than a monthly basis. Extending the time to start payments on the loan from six to nine months after graduation will give students additional time that sometime is necessary to get into a more solvent position.

Your Committee on Higher Education is in accord with the intent and purpose of **S. B. No. 716**, 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. 809 Higher Education on S.B. No. 1168

"A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII,"

begs leave to report as follows:

The purpose of this bill is to amend existing law relating to the tuition structure,

Board of Regents tuition waivers, and State scholarships for the University of Hawaii System as follows:

1. To provide for a minimum tuition of \$170 per year for baccalaureate campuses in the University of Hawaii System, rather than the present statutory maximum of \$170;

2. To provide for a minimum tuition of \$30 per year for the Community Colleges;

3. To provide for an increase in State financial aids, including tuition waivers and State scholarships, in the amount of a percentage of the total full-time undergraduate enrollment for the entire system, with the percentage rate to increase in annual increments from 6% in 1971-72 to a maximum of 10% by 1975;

4. To request, via Committee Report, that the Board of Regents together with the Administrations of the various segments of the System, evaluate the existing tuition structure of the University of Hawaii, and devise a new tuition structure for the System, comparable to those at other universities of similar size and quality, and that the Board present to the Legislature prior to the 1972 Session its plan for the implementation of a tuition increase to be effectuated no earlier than fall, 1973.

Your Committee has studied the issues contained in this bill, and finds itself in general agreement with the views expressed in **Standing Committee Report No. 501**, which is incorporated by reference as a part of this report to provide direction and guidance to the University of Hawaii in implementing this bill.

Your Committee would like to amplify certain portions of **Standing Committee Report No. 501**, in order to clarify Legislative intent concerning the implementation of a tuition increase for the University of Hawaii System, and the corollary provision of additional State financial aids. Your Committee feels that any significant tuition increase for the University of Hawaii System should be accomplished incrementally over several years, in order to allow the students to make the necessary compensatory arrangements. For similar reasons, your Committee would like to stipulate that the earliest effective date for such increases should be no earlier than the fall semester of 1973.

State financial aids shall also be increased incrementally, in order to cope with the corollary demands of increased tuition with the increased student enrollment statewide. This bill would provide for total State financial aids in the amount of 6% of the total full-time enrollment Systemwide for the forthcoming year, with the percentage to increase incrementally to a maximum of 10%, along with the increase in tuition rates for the system.

Your Committee would like to point out that while the State financial aids as provided in this bill differ structurally from those of **H. B. No. 793, H. D. 1**, which has already been approved by this body, that the amount of financial aid for the system will be essentially the same as that provided by the House Bill, with greater flexibility to cope with greater demands.

Your Committee on Higher Education is in accord with the intent and purpose of **S. B. No. 1168, S. D. 2**, 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. 810 Higher Education on S.B. No. 1288

The purpose of this bill is to appropriate \$10,000 to establish a Hawaii Research Center for Future Study which will provide research study. The establishment of a Center is necessary to serve as a research arm for other innovative and futuristic programs such as the Commission on the Year 2000. The proposed Commission on Population Stabilization which are hampered by the absence of adequate research support. The success of any futures study is highly dependent upon the quality of research that is conducted. The Center is needed also to encourage and promote innovation and experimentation in futures study, planning and design.

Your Committee is in agreement with **Standing Committee Report No. 520** that the initial task of the director of the Center will be the formulation of program and financial plans with such plans to be submitted to the 1972 Regular Session of the legislature 20 days prior to its convening. Your Committee reiterates certain portions of **Standing Committee Report No. 520** so as to leave no

doubt as to what constitutes legislative intent. "The plan should be consistent with the requirements of Act 185, S.L.H. 1970, and include statement of objectives, measures of effectiveness, the level of effectiveness planned for each of the ensuing six years, a description of the activities planned for the next six years, program size indicators and the program size planned for the next six years, and the full cost implications of the recommended program for the next six years with an explanation of the personnel requirements and other factors which relate to program costs."

Your Committee on Higher Education is in accord with the intent and purpose of **S. B. No. 1288, S. D. 1**, 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. 811 Public Health, Youth and General Welfare on S.B. No. 1073

The purpose of this bill is to appropriate \$112,000 to (1) establish a centralized state information service in the office of the governor, consisting of a central office at the capital and satellite offices located in each county and (2) establish within the state information service a youth affairs office as a special section in the office of the governor with representatives from each county.

Your Committee feels that a centralized state information service is necessary to meet the community's informational needs about the functions of the government's various departments and agencies, to directly channel public queries to the appropriate office, and to provide elective and appointive government officers with awareness and understanding of the needs of the community.

Your Committee also feels a Youth Affairs Office, meeting the informational needs of young people, will serve as a major point of contact for youth, thereby helping youth to feel and become involved with government and community. This will be accomplished by not only providing basic informational services but also by recommending to the appropriate state agency recommendations from young adults and by establishing intern programs within the state government to acquaint young adults with government.

This bill is a result of the efforts of the Communications Task Force of the Governor's Action Committee for Young Adults. The task force identified a basic and very visible communication problem that affects not only youth, but the entire community: the problem of inadequate lines of communication between government and the public. In **S. B. No. 1073, S. D. 1**, the task force developed a logical and practical solution to the basic problem.

Your Committee on Public Health, Youth and General Welfare is in accord with the intent and purpose of **S. B. No. 1073, S. D. 1** and recommends its passage on second reading and its referral to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 812 Finance on S.B. No. 1314

The purpose of this bill is to amend chapter 306, Hawaii Revised Statutes, which constitutes the basic legislation governing revenue funded projects of the University of Hawaii. The amendments, which are largely technical in nature, would bring the language of the existing statute into conformity with the changes made in the Hawaii State Constitution by the 1968 amendments. It would also provide for the establishment of a "University bond system" whereby several projects may be funded by a single bond.

This bill was recommended and drafted by the State's bond counsel. This bill provides for the requirements of both revenue bond holders and those of the State of Hawaii in the issuing of reimbursable general obligation bonds. The University bond system, recommended by said counsel, and provided for in this bill, will establish a financial base for subsequent projects and issues, and at the same time will provide flexibility to meet conditions in today's changing bond market.

The Senate, upon consideration of this bill, and based upon certain suggestions by the director of budget and finance, recommended that it be amended for technical and grammatical reasons to clarify certain language therein.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 1314, S. 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. 813 Agriculture on S.B. No. 1283

The purpose of this bill is to effect practical research in the area of crop diversification and to explore new areas of crop development, thereby strengthening the agricultural base of the industry as well as creating further marketing areas for Hawaiian agriculture.

Your Committee finds that the above stated purpose falls within the acknowledged and accepted mission of the College of Tropical Agriculture of the University of Hawaii. Therefore, the administration of the program would be more effectively carried out by the College of Tropical Agriculture in cooperation with the department of agriculture and has amended the bill to so provide.

The College of Tropical Agriculture is already involved in practical research of the nature expressed in the bill, but not to the full intent of this bill. It is, therefore, a logical step to expand the College of Tropical Agriculture's program to immediately fulfill the concern expressed by the Hawaii Farm Bureau Federation. The College of Tropical Agriculture has much of the necessary information, expertise, and manpower to effectively carry out the program with the cooperation of the department of agriculture.

Your Committee wishes to express at this time, that it is intended by this bill to develop these demonstration projects on all of the neighbor islands as well as on Oahu, at least one per extension county.

Your Committee on Agriculture is in accord with the intent and purpose of **S. B. No. 1283, S. D. 2**, as amended herein, and recommends its passage on Second Reading in the form attached hereto as **S. B. No. 1283, S. D. 2, H. D. 1**, and its referral to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 814 Joint Select Committees of Kauai, Maui, Oahu and Hawaii Representatives on S.B. No. 149

The purpose of this bill is to allow the governor, by executive order, to change the business hours of public welfare offices.

An exemption to existing statutes is provided for the hours that public welfare offices remain open to deal with welfare applications. This flexibility is so that the large influx of applications during certain seasons may be handled. Your Committee concurs with the findings of your Committee on Public Employment relating to this bill as stated in **Standing Committee Report No. 770**.

Your Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives is in accord with the intent and purpose of **S. B. No. 149, S. D. 1** and recommends that it pass second reading and be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 815 Finance on S.B. No. 1232

The purpose of this bill is to make a minor, technical amendment in the definition of "deaf" in section 235-1, Hawaii Revised Statutes, as amended.

Section 235-1, as amended, sets forth, among others, definitions for blind and deaf, thereafter for which, in section 235-54, as amended, an exemption is allowed for computation of taxable income. The definition of "deaf" therein means "a person whose average loss in the speech frequencies (500-1000 Hertz) in the better ear is 82 decibels, A.S.A., or worse."

It has been reported to your Committee that the correct definition of speech frequencies, and the one accepted by the American Medical Association, is "500-2000 Hertz," and that the present listing of "500-1000 Hertz" was probably a typographical error.

Your Committee has amended the bill by redrafting as to style. In so doing, the amended bill, as the original, does not strictly comply with House Rule 24(2), and it does not set forth the section in full (there being no subsections). However, the definition amended is otherwise totally unrelated to the remaining definitions in the section.

Your Committee on Finance is in accord with the intent and purpose of **S. B. 1232**, as amended herein, and recommends that it pass second reading in the form attached hereto as **S. B. No. 1232, H. D. 1**, and be placed in the calendar for third reading.

Signed by all members of the Committee.

SCRep. 816 Higher Education on H.R. No. 147

The purpose of this resolution is to request the University of Hawaii to provide expanded entrance options for high school students to all units of the University of Hawaii system including its community colleges. This offers students who have demonstrated superior academic qualities and who have exhausted the academic experiences available in high school the opportunity to take higher level courses.

Your Committee on Higher Education concurs with the intent and purpose of **H. R. No. 147** and recommends its referral to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 817 Public Health, Youth and General Welfare on H.R. No. 226

The purpose of this resolution is to request the Continuing Health Education Council of Hawaii and the Pacific Basin to plan and direct a conference on health manpower planning to discuss problems of health manpower and to submit a report to the Legislature, Regular Session of 1971.

Rapid changes in the health field have brought about a complexity of problems in health care systems and planning including certification of new allied health professions, re-licensing of existing health professions, hospital and clinic administration, construction, costs, manpower supply, use, and distribution, and medical assistance programs and health insurance. Your Committee feels that these problems require resolution in order that comprehensive health planning, policies, and alternatives may be developed.

Your Committee on Public Health, Youth and General Welfare concurs with the intent and purpose of **H. B. No. 226** and recommends its referral to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 818 Public Health, Youth and General Welfare on H.C.R. No. 61

The purpose of this concurrent resolution is to request the Continuing Health Educa-

tion Council of Hawaii and the Pacific Basin to plan and direct a conference on health manpower planning to discuss problems of health manpower and to submit a report to the Legislature, Regular Session of 1971.

Rapid changes in the health care field have brought about a complexity of problems in health care systems and planning including certification of new allied health professions, re-licensing or existing health professions, hospital and clinic administration, construction, costs, manpower supply, use, and distribution, and medical assistance programs and health insurance. Your Committee feels that these problems require resolution in order that comprehensive health planning, policies, and alternatives may be developed.

Your Committee on Public Health, Youth and General Welfare concurs with the intent and purpose of **H. C. R. No. 61** and recommends its referral to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 819 Joint Select Committees of Kauai, Maui, Oahu and Hawaii Representatives on **S.B. No. 115**

The purpose of this bill is to eliminate the present graduated home exemption schedule as a means of improving the administration of the real property tax law.

This bill will eliminate the present home exemption schedule and will provide for an \$8,000 home exemption on all parcels of real property that meet the home exemption requirements.

Your Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives is in accord with the intent and purpose of **S. B. No. 115, S. D. 1** and recommends that it pass second reading and be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 820 Education on **H.R. No. 367**

The purpose of this Resolution is to request the Departments of Education and Land and Natural Resources to cooperate with the officials of the City and County of Honolulu in arranging for the relocation of either the sidewalk or the kamani trees adjacent to Kailua Elementary School so that

these shade trees might still enhance central Kailua.

Your Committee concurs with the intent and purpose of **H. R. No. 367** and recommends its referral to the Committee on Lands.

Signed by all members of the Committee except Representatives Roehrig, Chong and Hansen.

SCRep. 821 Education on **H.R. No. 276**

The purpose of this Resolution is to request the Department of Education to make a feasibility study for additional school facilities in Kalihi Valley.

The Department testified that plans were made to make a feasibility study for additional school facilities in Kalihi Valley in 1972-73 fiscal year. They have no objection to moving the date up one year to coincide with the intent of this Resolution.

Your Committee concurs with the intent and purpose of **H.R. No. 276** and recommends its referral to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 822 Judiciary on **S.B. No. 40**

The purpose of this bill is to allow the provisions of chapter 127 Hawaii Revised Statutes, to apply to major disasters caused by man.

The present law provides for disaster relief procedures and funding only if a major disaster is a result of natural causes. This bill would allow such provisions for relief to be applicable to major disasters caused by man. Your Committee is of the opinion that the applicability of these provisions should not be dependent upon the cause of the disaster, inasmuch as the provisions are designed to alleviate the effect of the disaster. Therefore, disaster relief provisions should be made available in disaster situations, regardless of whether the disaster was a result of nature or man.

Your Committee on Judiciary is in accord with the intent and purpose of **S. B. No. 40** and recommends its passage on Second Reading, and placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 823 Judiciary on S.B. No. 910

The purpose of this bill is to delete the requirement of food service under a cabaret license. Accordingly, liquor commissions will be allowed to prescribe closing hours for cabarets by rules and regulations.

The requirement that food be served in cabarets has not served a justifiable purpose and the service of food will or will not be provided by a license in response to customers' demands. Opening and closing hours for all other licensees are established by commission rule and this bill provides consistency to the general power given to the liquor commissions to fix hours for the transaction of business by licensees.

Your Committee on Judiciary is in accord with the intent and purpose of **S. B. No. 910, S. D. 1**, as amended herein and recommends its passage on Second Reading in the form attached hereto as **S. B. No. 910, S. D. 1, H. D. 1** and placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 824 Judiciary on S.B. No. 134

The purpose of this bill is to amend the unemployment compensation law to clarify the authority of appeals referees in reopened unemployment appeal cases.

This bill proposes to clarify the language of said section by specifically including the terms "reverse" and "reversing" in the actions the referee may take on reopening a case. This amendment is desirable since the practice of the referees in "reversing" reopened cases may be subject to challenge on technical grounds. The bill further proposes to clarify language by substituting the phrase "the decision" for "his decision" as used in the section. This amendment would clarify the law to unquestionably permit a referee other than the original referee who heard the case to hear a reopened case. It would also provide a desired clarity in the law.

Your Committee finds the further amendment suggested by Senate Draft 3 that a referee who heard the original appeal shall reconsider the matter, except where he is no longer employed, as unduly restrictive and therefor has deleted said amendment.

Your Committee is in accord with the intent and purpose of **S. B. No. 134, S. D. 3**, as amended herein and recommends its passage on Second Reading in the form attached hereto as **S. B. No. 134, S. D. 3, H. D. 1** and placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 825 Judiciary on S.B. No. 915

The purpose of this bill is to simplify the procedure for admission or withdrawal of a limited partner in a limited partnership which holds a liquor license, and to give the liquor commission increased authority in the regulation of such limited partnership.

This bill adds a new paragraph providing that where a license is held by a limited partnership the admission or withdrawal of a limited partner shall not be deemed a transfer of the license held by the partnership, thereby eliminating necessity of a public hearing and publishing notice of the hearing prior to the admission of a limited partner. However, the licensee must notify the liquor commission in writing within 30 days of the change in the partnership. If the commission finds a limited partner to be an unfit or improper person to hold a license in his own right, the commission may revoke the license or suspend the license until the unfit person is removed.

Your Committee on Judiciary is in accord with the intent and purpose of **S. B. No. 915** and recommends its passage on Second Reading and placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 826 Judiciary on S.B. No. 931

The purpose of this bill is to clarify existing law as to when a subcontractor is entitled to payment including interest for goods and services.

The present section of the law dealing with payments to subcontractors entitles the subcontractors to receive interest at the rate of one percent per month on sums due him by the contractor, commencing on the sixteenth day following the contractor's receipt of the subcontractor's statement. However, if there is a bona fide dispute between the contractor and subcontractor, such a section doesn't apply. This bill would clarify the present law by explicitly stating that if there is a no bona fide

dispute, the subcontractor is entitled to payment in accordance with the provisions of this section.

Your Committee on Judiciary is in accord with the intent and purpose of **S. B. No. 931** and recommends its passage on Second Reading and placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 827 Judiciary on S.B. No. 254

The purpose of this bill is to decrease bond requirements from \$100,000 to \$10,000 for motorcycle and motor scooter outlets not named as principals in the bonds of manufacturers or distributors they represent.

Under present law motorcycle and motor scooter distributors, their branches and representatives, factory branches and representatives, must maintain a \$100,000 bond for the protection of the public despite the fact that a bond in this amount is very difficult to obtain because the insurance companies do not feel that many small businesses warrant a bond in such amount. This bill would enable such small businesses to operate.

Your Committee is in accord with the intent and purpose of **S. B. No. 254** and recommends its passage on Second Reading and placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 828 Judiciary on S.B. No. 465

The purpose of the bill is to delete that portion of the present law which requires dental hygienists to work with a dentist in private practice "under the continuous supervision and inspection of the dentist". Your Committee feels this is an unreasonable requirement placed on a dentist in private practice in that his continuous physical presence is required to oversee the licensed hygienist's work. The dentist's supervision should only be direct or general in nature. Dental hygienists employed by legally incorporated eleemosynary dental dispensaries or infirmaries, or welfare centers, or by the State or City and County agencies are permitted to work under the direct or general supervision of a licensed dentist.

Your Committee on Judiciary is in accord with the intent and purpose of **S. B. No. 465**

and recommends its passage on Second Reading and placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 829 Judiciary on S.B. No. 913

The purpose of this bill is to more clearly define the area within which the liquor commission must take note of the location of a church, chapel or school when considering an application for license in that area.

This bill concerns the requirement that an inspector's written report on an application to the commission for a liquor license include a statement of the "locality of any church, chapel or school in the neighborhood, if any". The amendment deletes the words "in the neighborhood" which is difficult to define, and substitutes a definite radius of 500 feet as the area within which the commission must be notified. This radius corresponds with the area within which owners and lessees of real estate have the right of protest against a license application.

Your Committee on Judiciary is in accord with the intent and purpose of **S. B. No. 913** and recommends its passage on Second Reading and placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 830 Judiciary on S.B. No. 1091

The purpose of this bill is to permit pigeon fanciers to own and raise pigeons as a hobby in Hawaii under controlled conditions roughly similar to those generally prevailing before 1970.

At present, zoning ordinances of various counties are not uniform in their treatment of pigeons. Some counties consider pigeons as pets and allow them in residential areas; other counties treat pigeons as poultry and ban them from residential areas. Since pigeon fanciers often race their pigeons between the various counties, it is desirable that the regulation of pigeons be treated in a uniform manner. This bill, as amended, would permit the Department of Health to regulate the control of pigeons throughout the various counties.

Your Committee upon consideration of **S. B. No. 1091, S. D. 1**, recommends that it be

further amended by deleting the word "fifty" in line 23 of page 2 thereof and inserting in its place the word "twenty-five".

Your Committee on Judiciary is in accord with the intent and purpose of **S. B. No. 1091, S. D. 1**, as amended herein and recommends its passage on Second Reading in the form attached hereto as **S. B. No. 1091, S. D. 1, H. D. 1** and placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 831 Judiciary on S.B. No. 626

The purpose of this bill is to provide that any mechanics' and materialmen's lien may be discharged by the posting of a bond for twice the amount of the sum for which the claim for the lien is filed.

Under present law such a lien can only be discharged by the posting of cash for twice the amount in question, and then only if the lien covers an entire subdivision of 10 or more lots.

Although your Committee is in accord with the purpose of this bill, which corrects an obvious inequity in the law and codifies existing judicial practice, it does not feel that the posting of a bond for discharge should be an exclusive method for discharging a lien, and has therefore amended this bill to allow discharge by the posting of either cash or a bond.

Your Committee is in accord with the intent and purpose of **S.B. No. 626**, as amended herein and recommends its passage on Second Reading in the form attached hereto as **S. B. No. 626, H. D. 1** and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 832 (Majority) Judiciary on S.B. No. 56

The purpose of this bill is to provide the Office of Consumer Protection with a method of settling, on a non-judicial basis, suspected violations of consumer protection laws.

At present there is no legal basis for making of "assurances of volunteer compliance" settlements by the Office of Consumer Protection, although such settlements are now being entered into by said Office. By provid-

ing a statutory basis for such settlement, the Office of Consumer Protection would have a flexible tool at its disposal as an aid in the protection of consumers. Moreover, the bill would allow the Officer of Consumer Protection to make restitution to pay the costs of investigation as a condition of the settlement.

Your Committee has amended this bill to delete a provision that violation of the terms of an assurance of voluntary compliance be prima facie evidence of unlawful conduct in a subsequent action because it feels such a requirement may hinder the effectuation of such "settlement" even though the particular conduct involved was, in fact, legal.

Your Committee on Judiciary is in accord with the intent and purpose of **S. B. No. 56**, as amended herein and recommends its passage on Second Reading in the form attached hereto as **S. B. No. 56, H. D. 1**, and placed on the calendar for Third Reading.

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

SCRep. 833 Judiciary on S.B. No. 821

The purpose of this bill is to provide for protection against the misappropriation of a legitimate label of a trade union or other association of employees.

The present law provides for print, label, trademark, and tradename protection, but does not provide adequate protection for union labels. Since trademarks are designed to indicate the name of the manufacturer, the contents of the packages, the quality of the goods, or directions for use, while union labels are designed to inform the public of the fact that certain articles are the products of the labor of union members, it is unclear whether present Hawaii law can be applied to labels of unions or employee associations. This bill would specifically grant similar protection to such labels.

Your Committee upon consideration of **S. B. No. 821** recommends that it be amended in the form attached hereto as **S. B. No. 821, H. D. 1** in order to place protection of such labels on a parity with trademarks, print, label, and tradename protection. As the bill is presently drafted, misappropriation of such labels would be treated differently than appropriations of trademarks, prints, labels, and tradenames.

Your Committee on Judiciary is in accord with the intent and purpose of **S. B. No. 821** as amended herein and recommends its passage on Second Reading in the form attached hereto as **S. B. No. 821, H. D. 1** and placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 834 Finance on S.B. No. 775

The purpose of this bill is to establish, in the office of the governor, an ethnic studies program, and to make an appropriation therefor.

The program shall include:

- (1) Recording Hawaii's social and cultural history through oral or written communications;
- (2) Subsidizing studies in all major ethnic groups wishing to have ethnic study programs; and
- (3) Housing the above-mentioned studies in a centralized repository.

The reason for this program, and for its urgency, is that the history of Hawaii's past in regards to labor, mores, folklores, customs, and other related areas from within the wealth of information locked in the minds of our elders and experts, may otherwise be lost from posterity.

Your Committee on Federal, State and County Relations, to which companion **H. B. No. 455** was initially referred, has extensively reported thereon in **Stand. Com. Rep. No. 485**. We have received and considered substantially the same testimony and evidence in our deliberations thereon, we concur in the findings and conclusions thereof, and to the extent that it is not inconsistent with this bill, it is incorporated herein by reference.

The Senate, in consideration of this bill, substantially reworded the purpose provisions of Section 1 in order to present a "clearer statement," deleting sentences which "seemed repetitive or irrelevant."

In addition, a provision empowering the governor to contract services with presently existing agencies was added to Section 2. The purpose for this provision was to "allow for effective implementation of the purposes of

this Act and reduce the possibility of overlapping efforts."

The appropriation recommended for the implementation and maintenance of the ethnic studies program hereby established is in the sum of \$100,000.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 775, S. 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. 835 Joint Select Committees of Kauai, Maui, Oahu and Hawaii Representatives on S.B. No. 599

The purpose of this bill is to make it unlawful for a minor to possess liquor in a public place, subject to certain exceptions, and to make it unlawful for a minor to use false identification to buy liquor or to obtain employment to sell or serve liquor on licensed premises.

Under existing law it is a misdemeanor for a minor to buy liquor or for an adult to buy liquor for consumption or use by a minor under section 281-102, Hawaii Revised Statutes. The proposed amendment would go further by making it unlawful for a minor to possess liquor in a public place or to deceive a licensee by the use of false identification in buying liquor or obtaining employment. The existing law and proposed additions are consolidated under a new section to chapter 281, Hawaii Revised Statutes, entitled "**Prohibitions involving minors; penalty.**"

Teenage drinking and the purchase of liquor by minors are major enforcement problems and this legislation is needed for more effective control by placing greater responsibilities on minors who deliberately violate the law. The responsibility at present rests almost entirely with the licensee.

The prohibition against the possession of liquor by a minor in a public place would be a more effective deterrent to the purchase of liquor by minors than the present law, as it is now necessary to prove purchase and the minor may refuse to testify as to the purchase on the grounds that his answer may tend to incriminate him. When a minor is ap-

prehended with liquor in his possession in a public place, the fact of the offense has already been established.

Upon further consideration of the matter, your Committee believes that there are parents due to cultural backgrounds or for other reasons who permit their children to consume beer and wine in limited amounts in controlled settings. If consumed under proper parental supervision or restraints, the wisdom of such custom or practice is immaterial. There are presently no statutes prohibiting consumption of liquor by minors within the home or private places. Moreover, it is questionable whether such acts would be appropriate subjects of legislation. Such a law would be impractical to enforce and from a public policy standpoint appears to be a poor substitute for parental control. These parents, however, can be penalized under subsection (a) of the new section because it prohibits the purchase of all liquor by any adult for the use or consumption by minors. It is, therefore, recommended that subsection (a) be amended to read:

“(a) No adult shall purchase liquor for consumption or use by a minor; provided that this subsection shall not apply to the purchase of beer and wine as defined in section 281-1 by parents of the minor.”

The application of the proviso is limited to subsection (a). It does not affect the prohibited acts proposed under subsection (b) relating to purchase and possession of liquor in public places by a minor, and under subsection (c) relating to the use of false identification by a minor purchasing liquor. So construed, your Committee believes that the purpose of the bill as hereinabove stated will not be circumvented. The new section together with section 281-78(a)(3)(A) which prohibits a licensee to knowingly sell liquor to a minor, and section 281-4(c)(1) which prohibits any unlicensed person who regularly sells food and beverages to sell his goods to any minor who possesses his own liquor appear adequate to cope with the teen-age drinking problem.

Your Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives is in accord with the intent and purpose of **S. B. No. 599**, as amended herein, and recommends its passage on second reading in the form attached hereto as **S. B. No. 599, H. D. 1**, and that it be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 836 Joint Select Committees of Kauai, Maui, Oahu and Hawaii Representatives on S.B. No. 924

The purpose of this bill is to authorize a manufacturer of liquor to sell at wholesale in original packages not only to those with a license to resell, but to others authorized to resell but not required to have a license. (Such as post exchanges, officer's clubs, vessels, and airlines.)

Existing law does not expressly authorize a manufacturer to sell to those who are by law authorized to sell, but who are not required to hold a license. At the present time, considerable amount of direct business is done with military post exchanges, ship stores, officer's clubs, vessels and scheduled airlines. The law should, therefore, be amended to expressly authorize the manufacturer to sell at wholesale to those authorized to resell but are not required to have licenses.

Your Committee is in accord with the intent and purpose of **S. B. No. 924** and recommends its passage on second reading and that it be placed on the calendar for passage on third reading.

Signed by all members of the Committee.

SCRep. 837 Judiciary on S.B. No. 449

The purpose of this bill is to require an applicant for an industrial loan license to have a minimum of \$100,000 in capital as a condition for approval of an application. The present law requires only a minimum of \$15,000 in capital as a condition for approval of an application.

The present capital requirement of \$15,000 has been in effect since the inception of the Industrial Loan Act in 1937.

Under present day operations, your Committee feels an applicant could not serve the convenience and need of the public with only \$15,000 in capital for the following reasons:

(1) Inflation over the years has eroded the value of the dollar. In 1937, the \$15,000 may have been able to serve the needs of a number of borrowers; but today, this same \$15,000 can serve perhaps a very limited number of borrowers.

(2) Changing consumer attitude toward credit purchases has increased the willingness of the consumer to borrow more to purchase luxury items, resulting in larger loans.

(3) Rising consumer prices have caused borrowers to increase their demands for larger consumer loans.

Your Committee on Judiciary is in accord with the intent and purpose of **S. B. No. 449** and recommends its passage on Second Reading and placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 838 Judiciary on S.B. No. 916

The purpose of this bill is to prohibit a liquor manufacturer or a wholesale liquor dealer from obtaining control, directly or indirectly, of retail liquor licenses other than in his own name.

Existing law precludes liquor manufacturers and wholesale liquor dealers from becoming financially interested in or connected with a holder of a general dispenser liquor license. This bill will preclude liquor manufacturers and wholesale dealers from becoming financially interested in or connected with a holder of a retail dealers liquor license.

It is the opinion of your Committee that the existing law which prohibits any connection by liquor manufacturers and liquor wholesalers with liquor dispensers for on-premises consumption should be extended to retail liquor dealers for off-premises consumption. This amendment does not prevent a manufacturer or wholesaler from also holding a retail license in his own name, but only against his interest in the business of another licensee.

Your Committee on Judiciary is in accord with the intent and purpose of **S. B. No. 916** and recommends its passage on Second Reading and placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 839 (Majority) Judiciary on S.B. No. 1123

The purpose of this bill is to update the provisions of State law relating to foreign corporations by amending Part I of Chapter

418, Hawaii Revised Statutes, and by cancelling all foreign corporation bonds currently in effect.

The present law relating to foreign corporations, originally enacted in 1903, has since been amended in a sporadic and piecemeal fashion. In its present form, it is unduly complex and causes more regulatory work than is necessary for the proper control of foreign corporations. This bill, by amending the present law in the manner hereafter described, would simplify procedures while allowing the State to continue having adequate regulatory controls over such corporations:

(1) Section 418-1 is amended:

(a) to provide that the only purpose for qualification will be to transact business in this State; and

(b) to eliminate the requirement of posting bond.

(2) Section 418-2 is amended to require any non-profit corporation to comply with the provisions of this section. It further requires such a corporation to make the same declaration regarding its nonprofit status as that required by non profit corporations organized in this State.

(3) Section 418-3 has been amended to provide:

(a) that a resident agent for service of process must be continuously maintained, and

(b) for change of an agent or his resignation.

(4) Section 418-4 is amended to provide for non-acceptance of the declaration filed pursuant to section 418-1 unless paid in capital is at least \$1000.

(5) Section 418-5 is amended to require the filing of a copy of an amendment to the corporate charter or a copy of the articles of merger or consolidation within thirty days of such charges.

(6) Section 418-9 is amended to:

(a) clarify the present provisions regarding license fees;

(b) provide for proration of such fees; and

(c) allow the director for good cause to reduce or waive the penalty.

(7) Section 418-10 is amended to:

(a) clarify the provisions regarding penalties; and

(b) allow the director, for good cause shown, to reduce or waive the penalty.

(8) Section 418-11 is amended to clarify the provisions regarding filing of the annual exhibit.

(9) Section 418- is a new section providing a maximum penalty of \$5000 for the filing of a false statement.

(10) SECTION 2 of this bill provides for the cancellation of all foreign corporation bonds in effect on the date that this bill is enacted.

Your Committee on Judiciary is in accord with the intent and purpose of **S. B. No. 1123** and recommends its passage on Second Reading and placed on the calendar for Third Reading.

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

SCRep. 840 Judiciary on S.B. No. 1246

The purpose of this bill is to exempt motor vehicles engaged in the transportation of messages, documents and blueprints as additional exemptions from the motor carrier law. The exemption would be similar to that granted to services involving the carriage of mail, periodicals, and newspapers. The handling of these items is generally accomplished with the use of passenger type motor vehicles as contrasted to the use of trucks used in the transportation of property. Similar to mail, periodicals and newspapers, the added items are also "perishable" in nature because their usefulness is associated with time element.

Upon consideration of the matter, your Committee recommends a minor amendment to the bill. To conform to the Ramseyer method "(or)" was changed to "[or]" in Section 1 of the bill.

Your Committee is in accord with the intent and purpose of **S. B. No. 1246**, as amended herein, and recommends its passage on Second Reading in the form attached

hereto as **S. B. No. 1246, H. D. 1**, and placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 841 Finance on S.B. No. 1040

The purpose of Section 1 of this bill is to exempt from general excise taxation the gross proceeds from shipbuilding and ship repairs rendered to surface vessels which are federally owned or engaged in interstate or international trade. This exemption will enable the shipbuilding and ship repair businesses in the State to compete on an even basis with those businesses operated in other states which do not have to pay a general excise tax on their activities. The exemption should result in an expansion of the State's economy through the servicing of shipping and provide a chance to build a new industry which will create new and different tax bases.

The purpose of Section 2 of this bill, as amended, is to add a new definition establishing those sales which are sales at wholesale. This new definition will include as a wholesale sale one in which there is a sale to a licensed leasing company which leases capital goods as a service to others. Capital goods are defined as ones which have a depreciable life of more than three years. Your Committee finds that in the leasing field the general excise tax has a pyramiding effect which increases taxes on the leased article to twelve per cent. There is a four per cent general excise tax on the sale to the lessor, a four per cent general excise tax on the leasing of the article, and a four per cent or one-half of one per cent general excise tax on the final sale of the article by the lessor, depending on to whom it is sold. The purpose of this section is to change the rate of taxation on the sale to the lessor to one-half of one per cent providing some tax relief for the lessor. The wholesale sale provisions have been limited to leased capital goods with a depreciable life of more than three years in order not to include smaller household items which are sometimes leased.

The purpose of Section 3 of this bill, as amended, is to amend the present excise tax law as it pertains to a person who engages in the practice of engineering or architecture as a federal cost-plus contractor. Because Section 237-6 which defines "contractors" failed to include land surveyors and landscape architects with architects and professional engineers, contractors hiring land surveyors

and landscape architects as subcontractors are required to pay 4% general excise tax on the fees paid to them. Land surveyors and landscape architects are required also to pay 4% general excise tax on their fees. The land surveyors' and landscape architects' fees are, therefore, taxed twice. Your Committee believes this anomaly is unconscionable, particularly since as to architects and engineers acting as subcontractors this tax is paid only once.

Your Committee amended this bill by deleting, in its entirety, Section 4 thereof, as amended, the purpose of which was to exempt producers of motion pictures or television pictures from the excise tax for a period of five years starting July 1, 1971. "This exemption should help to stimulate the industry in Hawaii, and thereby help the State's economy," said the Senate. (**Stand. Com. Rep. No. 568**). In the absence of probative evidence that these industries are so uniquely situated as to require the relief proposed, which we have not been provided, we cannot agree.

For the sake of consistency, subsequent Sections 5, 6, and 7, relating to recital of Ramseyer method, severability provision, and effective date, respectively, were renumbered Sections 4, 5, and 6 respectively.

The effective date of the changes made by this bill was changed by the Senate to January 1, 1972, to coincide with commencement of the calendar year.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 1040, S. D. 1**, as amended herein, and recommends that it pass second reading in the form attached hereto as **S. B. No. 1040, S. D. 1, H. D. 1**, and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 842 Public Health, Youth and General Welfare on S.B. No. 862

The purpose of this bill is to appropriate \$100,000 to the Office of Environmental Quality Control for a feasibility study of a major systems recycling program for the State's natural resources and solid wastes. The office may contract with other agencies or organizations to carry out the purpose of this bill.

The major objective of the study should be to determine the method to best maximize the use of the State's natural resources through the methods of recycling while causing the least environmental harm or deterioration.

The bill stipulates that the study shall include, but not be limited to:

(a) an evaluation of the State's present solid waste problems along with a survey of existing technologies to either dispose of or recycle solid wastes;

(b) a projection of future solid waste characteristics of the State along with a prediction of possible future technologies of both solid waste disposal and recycling;

(c) a listing of alternative State action plans to encourage and implement recycling in the order of desirability;

(d) a plan for the continued monitoring and re-evaluation of the State's solid waste problems and potentials for recycling;

(e) a plan for the creation of a State natural resources data bank;

(f) an investigation of possible sources of funding to assure the maximum implementation of the study's conclusion and proposals.

Your Committee has amended this bill by deleting the plan for the creation of the data bank as being unnecessary at the present time. Concomitant with the deletion of the data bank, the appropriation has been reduced to \$50,000. The Department of Health has been substituted for the State Office of Environmental Quality Control as being better suited for this study particularly since they are presently involved with solid waste control. Your Committee has also deleted the ability of the department to use the appropriation to contract with other state agencies or to expend such funds for research and evaluation of other solid waste and recycling programs. Your Committee has deleted this item for the present in order that the department may concentrate upon the required study.

Your Committee on Public Health, Youth and General Welfare is in accord with the intent and purpose of **S. B. No. 862, S. D. 1**, as amended herein, and recommends its passage on second reading in the form attached

hereto as **S. B. No. 862, S. D. 1, H. D. 1** and its referral to the Committee on Finance.

Signed by all members of the Committee except Representative Saiki.

SCRep. 843 Public Health, Youth and General Welfare on **S.B. No. 7**

The purpose of this bill is to establish an agency to coordinate the State's planning, operating and research efforts concerning population size, its composition, and its effect on the social and natural environment of Hawaii.

After careful consideration, your Committee recommends several amendments to this bill. First your Committee recommends that the title of the bill be changed to "A BILL FOR AN ACT ESTABLISHING A COMMITTEE ON POPULATION STABILIZATION."

Secondly your Committee has changed the status of this agency on population stabilization from a permanent commission to a temporary committee to be placed within the University of Hawaii. Your Committee believes that further consideration should be given to the possibility of assigning the State's population stabilization planning, research and operating efforts in an already existing agency rather than creating a new agency. The establishment of a temporary committee would enable the State to study this possibility. In accordance with its temporary status, your Committee has also deleted the provision for an executive secretary and reduced the appropriation of the Temporary Committee on Population Stabilization.

Your Committee on Public Health, Youth and General Welfare is in accord with the intent and purpose of **S. B. No. 7, S. D. 1**, as amended herein, and recommends its passage on second reading in the form attached hereto as **S. B. No. 7, S. D. 1, H. D. 1** and placed on the calendar for third reading.

Signed by all members of the Committee except Representative Saiki.

SCRep. 844 Judiciary on **S.B. No. 270**

The purpose of this bill, as amended, is to make numerous amendments, both substantive and procedural, to the Temporary Disability Insurance Law, Chapter 392 of the Hawaii Revised Statutes.

The present law relating to temporary disability insurance has been in effect for approximately one year. Based upon this experience, a number of recommendations have been made by the department of labor and industrial relations for the improvement of this law. **S. B. 270, S. D. 1**, embodies most of these recommendations. Your Committee notes that the following amendments were made by the Senate Committee on Human Resources.

(1) Section 392-3: The proposed amendments to this section have been omitted;

(2) Section 392-24: The proposed amendment to this section has been omitted;

(3) Section 392-25: This section remains in effect, contrary to the proposal for its repeal;

(4) Section 392-26 has been amended by deleting the term "faith-healing group" and inserting in place thereof the words "group which depends for healing upon prayer or other spiritual means".

(5) Section 392-43 has been amended as follows: (a) it authorizes the withholding of contributions from employees only after they have met the eligibility requirements of the law; (b) it requires the deposit of contributions in the Special Disability Fund in both cases where benefits have been paid and have not been paid.

(6) Section 392-44 has been amended to reduce the waiting period for the first payment of benefits from 14 days to 10 days, excluding Saturdays, Sundays, and holidays,

(7) Section 392-72: The proposed amendments to this section have been omitted;

(8) Section 392-75: The proposed amendments to this section have been omitted;

(9) The proposal for the addition of a new section regarding payment of benefits to employees of the State or its political subdivisions was rejected;

(10) The proposal for the addition of a new section regarding denial of benefits by insurer was rejected; and

(11) The proposal for the addition of a new section regarding miscellaneous provisions was rejected, except that the portion which limits attorneys' fees was retained.

Your Committee on Judiciary is in accord with the intent and purpose of **S. B. No. 270, S. D. 1** and recommends its passage on Second Reading and its referral to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 845 Legislative Management Informing the House that **House Resolution Nos. 373 to 375, House Concurrent Resolution No. 93, Standing Committee Report Nos. 782 to 844** and **Standing Committee Report Nos. 846 to 852**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 846 Education on **H.C.R. No. 92**

The purpose of the Concurrent Resolution is to request the Speaker of the House of Representatives and the President of the Senate to establish a legislative interim committee to consider and review reports and studies, to investigate the needs of special education, and to determine priorities, direction, and steps for legislative action during the 1972 session and that the interim committee report its findings to the Legislature twenty days prior to the beginning of the Regular Session of 1972.

There has been several reports and studies on special education including (1) Volume III Analytic Document, Special Education, January, 1970; (2) PPBS Annex to the 1970 Analytic Document for Special Education, Revised January 5, 1971; (3) Joint report by the Departments of Education, Health, and Social Services, "Providing Comprehensive Services to the Mentally Retarded, December, 1970" and an addendum dated March 12, 1971. The Department of Education is currently drafting a Master Plan for Special Education. The interim committee would review these reports and studies and determine priorities, direction and steps for legislative action.

The special education program in the Department of Education is limited to the Hawaii School for the Deaf and the Blind, and the Pohukaina School for the orthopedically handicapped and secondary age mentally retarded trainable. A new orthopedic unit is planned for at Jefferson School. There are a few special education classes in regular elementary and intermediate schools, however because of the lack of space and staff, many

students are not serviced by the department. Some of the students are in private agencies which receive subsidies from the state. But many are at home not receiving special attention.

Your Committee feels that the special education program is to the point where it may be considered a crisis situation. The students should be provided with their basic rights for fundamental educational experiences. A step in this direction was providing the Department with 21 special education teacher positions in the operating budget for the biennium. Another would be an intensive investigation by the interim committee, proposed by this Concurrent Resolution, to come up with priorities and direction.

In the meantime, a problem with the state subsidies to the private mental retardation associations need to be examined critically. When the private agencies receive state subsidy, they must sign a contract limiting services to those from ages 4 to 20. This provision is within the Department's legal requirement for providing educational experiences. However, your Committee is of the opinion that in special education, chronological age should not be a criteria of whether service should be provided or not. Special education involves persons whose mental ages do not, for the most part, correspond with their chronological ages. If these persons are compared with those who are in the regular education program of the department, they usually perform at a level lower than their age group, which would also mean that their mental age is at a lower level than their chronological peers. Therefore, for the period between now and the time when the interim committee reports its findings, or earlier, if a comprehensive meaning of the ages of those in special education can be determined, your Committee requests that the Department of Education not enforce the provision limiting the services to mentally retarded persons ages 4 to 20 in the contract for state subsidy to the private mental retardation associations.

Your Committee concurs with the intent and purpose of **H.C.R. No. 92** and recommends its adoption.

Signed by all members of the Committee except Representatives Roehrig, Chong and Hansen.

SCRep. 847 (Majority) Public Health, Youth and General Welfare on **H.R. No. 365**

The purpose of this resolution is to request the Speaker of the House of Representatives to appoint a committee to conduct an interim study on the feasibility of creating a Hawaii Health Facilities Authority as proposed by the Legislative Auditor.

In testimony before your Committee on **H. B. No. 1223** entitled: "A BILL FOR AN ACT RELATING TO HAWAII PUBLIC HOSPITALS, HEALTH AND MEDICAL FACILITIES AND MAKING APPROPRIATIONS THEREFOR", which proposed to establish a Hawaii Health Facilities Authority (HHFA) as well as a Hawaii Health Facilities Building Trust (HHFBT), it was felt that their establishment at this time was too immediate. Takeover of the county hospitals by the state was initiated in 1965 by Act 97 and was not finalized until 1969 with Act 265 which became effective on January 1, 1970. Thus, it is questioned whether enough time has been given for implementation of the program before repealing it and starting on a new system.

Conflicting testimony before your Committee on the establishment of the two authorities initiated action for this resolution. On the one hand, it was felt an authority would create a government "corporation" to manage and operate public hospitals while removed from effective governmental control over its actions. On the other hand, a former director of health strongly supported its establishment and that adequate support in staffing and operating expenses should be given to implement **H. B. No. 1223**. Individual physicians from the county/state hospitals felt an authority would provide for a better alternative because the department of health has been unable to cope with and handle the local needs of individual hospitals due to its many and diverse responsibilities. They expressed a need for a more responsive governing body whose responsiveness in turn is hampered by its necessity to obtain clearance from other departments in matters of funds and personnel.

However, your Committee feels the auditor's report of the County/State Hospital Program conducted by Haldi Associates, upon which **H.B. No. 1223** was based, presented sound recommendations which the department of health should seriously consider and implement. In his report, the audi-

tor suggested several recommendations for immediate action regardless of the adoption of the reorganization proposal.

Your Committee on Public Health, Youth and General Welfare concurs with the intent and purpose of **H. R. No. 365** and recommends its adoption.

Signed by all members of the Committee Representatives Uechi, Aki, Devereux and Hansen did not concur.

SCRep. 848 Public Health, Youth and General Welfare on **H.R. No. 366**

The purpose of this resolution is to request the Speaker of the House of Representatives to appoint a committee to conduct an interim study on all problems relating to the environment and make recommendations for future action and to submit a report to the 1972 Session of the Legislature.

More complaints, remedies, and proposals for environmental action have been registered with legislators this session. Some positive steps have already been taken. Last year, the Environmental Center at the university and the office of Environmental Quality Control were established. This session, the House of Representatives has passed the strongest environmental legislation in the history of the state. Your Committee feels further positive steps will be augmented with an interim study to provide direction for future action.

Your Committee on Public Health, Youth and General Welfare concurs with the intent and purpose of **H.R. No. 366** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 849 Housing and Consumer Protection on **H.R. No. 265**

The purpose of this Resolution is to affirm support of the Federal Housing Administration's Section 235 housing program and to request President Nixon, George Romney and others to continue and expand the program.

The Section 235 program is designed to provide housing for low-income families by offering insurance for mortgages taken out by them from commercial lending institutions. As the resolution makes clear, the "235" program has been a boon to many people in

Hawaii. More recently, however, the press has reported a reluctance on the part of the Federal administration to release program funds because of alleged abuse of this money on certain parts of the mainland (one such abuse cited by the Star-Bulletin on April 1, 1971, involved developers placing welfare families in "235" homes). These incidents have led Secretary Romney to change the ground rules for obtaining money so that now a developer can get money only when he has a firm buyer for the home. In essence, this means that in areas like Hawaii, where no such abusing of privilege has occurred, inadvertent punishment could result. To avoid this unfortunate outcome, your Committee feels that positive affirmation such as indicated by **H. R. No. 265** is necessary.

Your Committee on Housing and Consumer Protection is in accord with the intent and purpose of **H. R. No. 265** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 850 Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives on **H.R. No. 229**

The purpose of this resolution is to request personnel directors of the state and the several counties to comply with the Fair Labor Standards Act and with state laws concerning hours of work of public employees, and to pay promptly any claims filed by the federal government when violations of the Act are discovered.

Your Committee concurs with the findings of your Committee on Public Employment as stated in **Standing Committee Report No. 700**.

Your Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives is in accord with the intent and purpose of **H. R. No. 229** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 851 Finance on **S.C.R. No. 39**

The purpose of this concurrent resolution is to direct the University of Hawaii, in cooperation with the State Commission on Manpower and Full Employment, to develop a comprehensive plan for a University-wide career planning and job placement system, including recommendations for physical, staff,

and financial requirements, and to submit this plan to the Legislature twenty days prior to the convening of the 1972 Session.

Your Committee on Higher Education, reporting on companion **H. C. R. No. 46**, has stated:

"Because the University has grown into a state-wide system with dispersed campuses, there is need for better articulation and coordination among the various job placement components scattered throughout the University. Our students should have centralized access to job information. Furthermore, as our University system grows, our students need the availability of professional placement and career staff service to provide for a lifetime work record, if they are to secure the full benefits from their college education. The University should also be able to follow up on graduates as to their vocational progress by a collection and dissemination system of historical information. Your Committee believes that a comprehensive career planning and job placement system would contribute greatly toward increasing job opportunities for our young people."

Therewith, your Committee on Finance is in unqualified agreement.

Your Committee on Finance concurs with its intent and purpose of **S. C. R. No. 39** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 852 Higher Education on **H.C.R. No. 1**

The purpose of this resolution is to request the Department of Agriculture to continue the publication of the Consumer Food Price Index Survey and publish it through the newspapers.

Your Committee believes that this is extremely helpful to the marketing public. Such a published survey no doubt has an effect in establishing a more competitive pricing structure among the various food retail outlets. Your Committee is in full support of the continuance of the survey.

Your Committee on Higher Education is in accord with the intent and purpose of **H. C. R. No. 1**, **H. D. 1** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 853 Higher Education on S.B. No. 194

The purpose of this bill is to amend the existing 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. Changing the restrictive provision of selecting one regent from each senatorial district and three at large to essentially that of members-at-large, with the provision that at least part of the membership shall represent geographic subdivision of the State.

3. Setting the terms of two of the members for two years.

Your Committee concurs with the amendments for the following reasons:

1. There is a need to increase the manpower necessary for the Board to adequately meet increasing demands of the University system.

2. There is a need to maximize the list of qualified potential candidates to the Board. Your Committee believes that removing the current restraints on the selection of Regents will make this possible. Specifically, the bill eliminates the requirements that five of the members shall be former students of the University of Hawaii and the requirement that one member should be selected from each senatorial district. All of the members will be essentially serving at-large, with the provision that at least part of the membership of the Board shall represent geographic subdivision of the State.

3. There is a need for a continual infusion of differing perspectives and fresh ideas into the deliberations of the Board. The establishment of two two-year terms allows for more timely changes. A shorter term may also induce the more younger person who would prefer a shorter commitment to serve on the Board, and thereby make possible injection of a youthful point of view.

Your Committee, in concurring with **S. B. No. 194, S. D. 1**, is mindful that we still hold the opinion that student representation on

the Board is desirable, primarily because such representation would result in closer communication between the Board and the student body. However, these amendments increase the latitude for the selection of Regents, including persons who have very recently graduated from the University. Young members could articulate "points of views" that are closely related to the views and ideas of students.

Your Committee was happy to learn that the Board of Regents has established a policy to have students serving on standing committees. This certainly increases the opportunities for more and meaningful dialogue between the recipient of the educational program and the policy making body.

Your Committee shares the view expressed in **Standing Committee Report No. 442** that at least one woman member should be included on the Board. There are many women who are amply qualified and some of them are able to devote more time than their counterparts.

It is the opinion of your Committee that **S. B. No. 194** as amended is a step in the right direction toward enhancing the important role that the Board of Regents play in guiding the direction of the University system.

Your Committee on Higher Education is in accord with the intent and purpose of **S. B. No. 194, S. 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. 854 Judiciary on S.B. No. 276

The purposes of this bill are: 1) to transfer the authority of the chiefs of police with respect to approval of certain vehicle safety equipment to the state highway safety coordinator; 2) to expand the authority to include other vehicle equipment; 3) to enable Hawaii to join the Vehicle Equipment Safety Compact; and 4) to provide a budget for the program.

Your Committee is aware of the relationship between the design and construction of certain automotive equipment and the safe operation of the motor vehicle in which that equipment is installed. This bill would seek to protect the consumer from untested equip-

ment and would require that such equipment be examined, tested and approved prior to its sale in this state. To this end, Section 3 of the bill would amend various sections of Chapter 286 of the Hawaii Revised Statutes. Such amendment would be in addition to the substantive addition to statutory law under sections 1 and 2 of the bill relating to the Vehicle Equipment Safety Compact. Generally provision is made for statewide approval of automotive equipment with the manufacturers thereof being required to pay testing and approval costs.

Your Committee on Judiciary is in accord with the intent and purpose of **S. B. No. 276, S. D. 1** and recommends its referral to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 855 Education on S.B. No. 1005

The purpose of this Bill is to amend section 296-45, Hawaii Revised Statutes by inserting educational field trips in the types of suitable transportation that the Department of Education may offer to children in grades kindergarten to twelve and in special education classes.

Your Committee is in accord with the intent and purpose of **S.B. No. 1005** and recommends its passage on Second Reading and that it be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 856 Judiciary on S.B. No. 600

The purpose of this bill, as amended, is to provide for State licensing of electricians and plumbers.

At present, there is no State statute regulating the licensing of electricians and plumbers. Instead, each county has an electrical and plumbing ordinance which stipulates minimum work performance standards. This bill, as amended, would standardize examinations, and licensing requirements and would settle the question of whether the State has preempted the licensing field in these areas.

Your Committee upon consideration of **S. B. No. 600, S. D. 2** recommends that it be further amended as follows:

(1) SECTION 1, insert a new section after section -10 to read as follows:

“Section -11. Inspections. Nothing in this chapter should deprive the several counties of the right to perform electrical or plumbing inspections, as regulated by their respective ordinances.”

(2) Renumber SECTIONS 2 through 5 as SECTIONS 5 through 8, respectively, and insert the following:

SECTION 2. Section 444, Hawaii Revised Statutes, is amended by adding a new section to read as follows:

“Section 444_____.

“a. At least half of all craftsmen requiring licenses employed on a construction project by a specialty contractor in the trade in which he is licensed shall be licensed in accordance with and to the extent required by section _____.

“b. The specialty contractor shall be principally engaged in business for which he is licensed.”

(3)SECTION 3. Section 444-17, Hawaii Revised Statutes, is amended by adding a new subsection 444-17(19) thereto as follows:

“(19) Failing to employ licensed craftsmen as required under section 444-_____.”

(4) SECTION 4. All employees of a public telephone utility within the State of Hawaii under a franchise or charter granted by the State of Hawaii which is regulated by the Public Utilities Commission, while so employed, shall be exempt from the provisions of Chapter _____, ELECTRICIANS AND PLUMBERS.

It is the intent of your Committee that the craftsmen who are required to have licenses in Section 444- (a) of SECTION 2 be those craftsmen listed in section -3(1) of SECTION 1.

Your Committee is in accord with the intent and purpose of **S. B. No. 600, S. D. 2**, as amended herein, and recommends its passage on Second Reading in the form attached hereto as **S. D. No. 600, S. D. 2, H. D. 1** and placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 857 Judiciary on S.B. No. 469

The purpose of this bill is twofold:

1. To change the date of closing out of provisional licensing to conform to Federal law. Title 45 of the Federal Register, Part 252 Medical Assistance Program, under which mandate, Chapter 457-B, Hawaii Revised Statutes, was enacted, stipulates under subsection d(1) that a provisional license "may be valid for 2 years or until July 1, 1972 or until the individual meets the qualification of a fully licensed nursing home administrator, whichever is earlier." The Hawaii statute provides December 31, 1972 as the closing date and should be changed to conform with the Federal law.

2. To increase the examination license fee from \$25 to \$40 and re-examination fee from \$10 to \$20. The increase in fees is necessary to sufficiently cover costs of staff time and administrative expenses.

Your Committee on Judiciary is in accord with the intent and purpose of **S. B. No. 469** and recommends its passage on Second Reading and placed on the Calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 858 Judiciary on S.B. No. 1159

The purpose of this bill, as amended, is to provide a means for securing and preserving testimony for use in a subsequent proceeding.

At present, prosecution or defense of persons accused of a crime is hindered by the unavailability of witnesses to the alleged criminal act. This bill, at time of trial, would provide a means of obtaining testimony from witnesses who may subsequently become unavailable and of preserving such testimony for use in a subsequent criminal proceeding.

Your Committee is in accord with the intent and purpose of **S. B. No. 1159, S. D. 1**, and recommends its passage on Second Reading and placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 859 Judiciary on S.B. No. 454

The purpose of this bill is to amend certain items in Section 467B of the Hawaii Revised Statutes. It would amend Section 467B-2 (c) by deleting reference in that paragraph to "an independent public accountant" for the reason that he is not an officer of the corporation. Further, all references in Sections 2, 3, 4, and 5 of existing law to "attorney general" are supplanted by "director" inasmuch as administrative responsibility rests solely with the Director of the Department of Regulatory Agencies. Also, in Sections 4, 5 and 10, where powers are ascribed to the "attorney general or any county attorney," amendments would be made substituting "director."

Another amendment is proposed for Section 11. Under existing law, charitable organizations which do not intend to solicit and receive, and do not actually raise or receive, contributions from the public in excess of \$2,000 are exempt from Section 467B. The proposed amendment would raise the ceiling for exemptions to \$4,000, as the former ceiling is seen as being too restrictive.

Finally, **S. B. 454** would amend Section 467B by adding an item (7) in Section 11 which would exempt any Hawaii or foreign nonprofit corporation that has been on record with the Director for at least five years and is in good standing provided that the fund-raising activities are carried on by persons who are unpaid for such services. Such a provision would exempt such well-known organizations the Shriners Hospital for Crippled Children, the American Cancer Society, Hawaii Tuberculosis and Respiratory Disease Association, etc. from the filing of a registration statement which is often burdensome and expensive.

Your Committee on Judiciary is in accord with the intent and purpose of **S. B. No. 454** and recommends its passage on Third Reading.

Signed by all members of the Committee.

SCRep. 860 Education on S.B. No. 1242

The purpose of the Bill is to amend Act 94, Session Laws of Hawaii 1970 by removing the requirement that members of the student conference committee, appointed by the governor shall be a member of the Hawaii Association of Student Councils, and by

stipulating that the conference be held once a year instead of holding the conference during a school vacation within 145 days after the start of school.

Your Committee upon consideration of this Bill recommends the following amendment:

1. Section 7 be amended to read: "There is appropriated out of the general revenues of the State the sum of \$30,000, **\$15,000 to be expended in fiscal year 1971-72 and \$15,000 to be expended in fiscal year 1972-73**, or so much thereof as may be necessary, to the department of education for the purpose of funding the cost of the conference to include housing, food and transportation of the student leaders attending the conference, as well as other usual costs inherent in conducting conferences of this type."

Your Committee on Education is in accord with the intent and purpose of **S. B. No. 1242**, as amended herein, and recommends its passage on Second Reading in the form attached hereto as **S. B. No. 1242, H. D. 1**, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Kato.

SCRep. 861 Judiciary on S.B. No. 846

The purpose of this bill is to provide for the coverage on public construction activities of pollution control costs on a cost account basis.

At present, there is no law providing for coverage of pollution control costs on public construction activities. This bill would allow an awarding agency to determine the necessity for pollution control activities over and above the ordinary specifications on a public construction project and to cover the expenses therefor on a force account basis. It is felt that the force account method of control, instead of ordinary bidding procedures is preferable, in view of the limited experience of the construction industry in this area of activity.

Your Committee upon consideration of **S. B. No. 846, S. D. 1** recommends that it be further amended by inserting the words "specified in the construction contract or other-

wise" between the words "not" and "provided" in line 10 of page 1 thereof. This amendment would make clear that a force account basis of payment should be used in all cases where pollution control costs have not been specified in the construction contract or have not otherwise been provided for.

Your Committee is in accord with the intent and purpose of **S. B. No. 846, S. D. 1**, as amended herein, and recommends its passage on Second Reading in the form attached hereto as **S. B. No. 846, S. D. 1, H. D. 1**, and placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 862 Judiciary on S.B. No. 919

The purpose of this bill, as amended, is to correct errors and inconsistencies in Chapter 281 and to otherwise clarify existing law.

This bill contains technical amendments as follows:

Section 281-2, Paragraph 8 relating to articles which are not subject to laws governing intoxicating liquor. This paragraph authorizes persons who manufacturer excepted articles to "purchase and possess liquor for that purpose". The word "liquor" where used in the first sentence would be changed to "alcohol" to conform with the wording of the second sentence which are separately defined in section 281-1, HRS. Present wording does not make it clear whether the manufacturer of the excepted articles may purchase all types of liquor from wholesales. This amendment would limit the manufacturer of excepted articles to the purchase of alcohol in the manner prescribed by law. Section 281-4 is based on section 159-4, Revised Laws of Hawaii 1955, as amended. However, the proviso contained in the last sentence of subsection (c) was changed to the extent that the proviso is inconsistent with other provisions and the title of section 281-4. Since the section relates to unlicensed premises, this amendment will reinstate appropriate language.

Section 281-32, HRS, relating to temporary liquor licenses is amended as follows.

(a) It deletes paragraph (8) which provides for summary suspension or revocation of a temporary license. This would subject a tem-

porary license to the same procedures provided for the suspension or revocation of a permanent license.

(b) It amends paragraph (5) to clarify the right of the liquor commission to renew a temporary license. This paragraph now limits the term of a temporary license to an initial sixty days plus "an additional sixty days" at the discretion of the commission. For clarification the wording is changed to "not more than one additional sixty day period . . ."

(c) It deletes from paragraph (6) the statement that a temporary license "is a conditional license" since there is no statutory provision for a "conditional license".

In Section 281-39, the requirement that an applicant for a solicitor's or representative's permit state his nationality is deleted. Section 281-53, relating to applications for license: The law now requires that license applications filed by corporations or associations be signed "by the proper officers thereof". The use of the word "officers" implies that two or more persons should sign. The amendment reads "by the proper officer or officers thereof" to allow a single officer to sign if properly authorized. Section 281-58, HRS, is amended by deleting the reference to protests against the renewal of a license. The existing reference to protests against the renewal of a license is inconsistent with other sections of chapter 281 which require that except for good cause the renewal of a license shall be granted upon the filing of an application. Section 381-59, HRS, relating to hearings on an application for license: The law now provides that the liquor commission may consider an objection by a liquor inspector to the granting of a license "even though the inspector may have previously approved the application". There is no provision in the law for an inspector to either approve or disapprove of an application for license. Therefore, this amendment deletes the words "even though the inspector may have previously approved the application" which now appear in parentheses in the third sentence of section 281-59, HRS. Section 281-97, adds to the first paragraph authority for the liquor commission to grant permission to a licensee who does not renew his license to sell his stock of liquor without a license within sixty days after expiration of the license or within such additional time as the commission may allow. This authority is now granted the commission in cases where a license is revoked or cancelled.

Your Committee upon consideration of **S. B. No. 919, S. D. 1**, recommends that it be further amended by addition of the following sections:

"SECTION 9. Section 281-82, Hawaii Revised Statutes, reading as follows is repealed:

Sec. 381-82 **No action for debt.** No person except a licensed manufacturer or licensed wholesale or retail dealer or his heirs, executors, administrators, trustees, or assigns with respect to sales regularly made under his license shall recover by any process of law any debt or demand on account of the sale on credit of any liquor, nor on any note or like obligation given in payment for liquor."

"SECTION 10. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun, before its effective date."

Your Committee is of the opinion that the provision barring an action for debt has outlived whatever usefulness it may have had in the past, and that today's widespread use of credit requires that creditors other than the actual seller also be allowed to bring an action for debt.

Your Committee on Judiciary is in accord with the intent and purpose of **S. B. No. 919, S. D. 1** as amended herein and recommends its passage on Second Reading in the form attached hereto as **S. B. No. 919, S. D. 1, H. D. 1** and placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 863 Judiciary on S.B. No. 1124

The purpose of this bill, as amended, is to allow qualified organizations to be exempt from registration of a preorganization certificate or subscription if the total number of subscribers does not exceed 25 and if no commission is paid for soliciting the subscribers.

The present law allows only qualified corporations such an exemption from registration, other forms of organizations, such as limited partnerships and business trusts, are unable to take advantage of this exemption. Moreover, if a subscription other than a capital stock subscription is issued at the time of organizing a corporation, no exemption is allowed. This bill would provide an exemption for any form or organization and for any type

of security if no commission or other remuneration is paid or given directly or indirectly for soliciting any prospective subscriber, and if the number of subscribers does not exceed twenty-five.

Your Committee upon consideration of **S. B. No. 1124** has made technical amendments to conform to House Rule 24 (2).

Your Committee on Judiciary is in accord with the intent and purpose of **S. B. No. 1124**, as amended herein and recommends its passage on Second Reading in the form attached hereto as **S. B. No. 1124, H. D. 1** and placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 864 Finance on S.B. No. 210

The purpose of this bill is to authorize the department of transportation, with the approval of the governor and without public bidding, to enter into "special facility leases" with airlines, and to issue special revenue bonds in the name of the department (and not the State) to finance the acquisition or construction of such facilities as support the operations of airlines.

Your Committee is informed by the director of transportation that a potentially serious situation is developing with respect to the financing of needed improvements at Honolulu International Airport. The existing airline maintenance facilities are not to meet the projected traffic at the airport, and facilities must be expanded now to accommodate the new large aircraft and the ever growing passenger and cargo traffic. It is apparent, however, that the State does not plan to issue its revenue bonds to finance these needed improvements. If the lessee airlines themselves are required to finance the construction of these improvements, Honolulu International Airport would be at a competitive disadvantage with other major airports which continue to provide these improvements with public funds raised on a tax exempt basis. Both San Francisco International and Los Angeles International airports provide such funds.

Your Committee hereby finds and declares that the business and commerce generated by Honolulu International Airport have a significant impact on the general welfare and

prosperity of the State. Our recommendation hereupon is, therefore, guided by this premise.

Existing statutes enable the department of transportation to issue only two types of bonds, namely, general obligation bonds and revenue bonds. While the department has issued some general obligation bonds, most funding has been by means of revenue bonds. These bonds are underwritten by the revenues which are obtained principally through fees and charges paid by the users. Since there is no direct or contingent taxpayer obligation, any transportation facility could properly be financed with revenue bonds. However, there are limits on marketability.

On the other hand, special obligation bonds, the issuance of which is hereby authorized, pledge neither the credit of the State nor the revenues derived from airport operations. The bonds are supported solely by a facility lease between the department of transportation and the user under which the department agrees to construct and finance a specified facility and the airline or user agrees to utilize the facility for a fixed period of years sufficient to liquidate the indebtedness through rental payments. The credit rating of the leasing user determines the marketability of the bonds. To implement a project under the proposed legislation, the user would enter into a ground lease with the department, and revenue derived therefrom would be paid into the airport revenue fund.

A second lease would be executed between the department and the user under which the department would agree to finance construction on the leased groundsite of a facility for use by the user over a period of approximately 25 years. Title to the facility would vest in the State through the department, and at the end of the lease, the department would control any further use or disposition of the property. Using the facility lease as security, the department would sell special obligation bonds in an amount sufficient to cover the direct and indirect cost of construction. That part of the rental applicable to the special obligation bonds is kept out of the airport revenue fund. This is necessary since the State's airport revenue bonds have a prior and paramount lien and charge on all moneys paid into the airport revenue fund.

The issuance of special obligation bonds would not dilute the market for general obligation or airport revenue bonds. As previ-

ously noted, special obligation bonds are supported by the credit of the airline and not of the department nor the State. Consequently, they bear a somewhat higher interest rate and appeal to a different type of investor. This is said to be a major advantage since they tap new funding sources and have been recognized elsewhere as a sound financing device. The proposed legislation, as well as the language of the present indentures, follow the precedents set by a substantial number of other states, in which many facilities for airline use have been financed and constructed under similar schemes.

It should be noted that under this bill, a special facility lease may not be entered into under the following circumstances:

1. If the special facility is to be used to provide services, commodities, supplies or facilities adequately made available through the State airport system.
2. If the use or occupancy of the special facility adversely affects the revenues of the State airports system.
3. If the special facility lease is contrary to any resolution or certificate authorizing any state bond.

The term of the special facility lease, including any renewal and extension, is not to extend beyond 30 years or beyond the reasonable life of the special facility, whichever is lesser.

Because your Committee has effected several amendments to this bill, as already amended by the Senate, we deem it essential to enumerate the changes made to the original version concurrent with itemizing the changes which we also propose. Our decisions have been guided by consideration of essentially the same matters presented to your Committee on Transportation in reporting on companion **H. B. No. 615**, as amended, under **Stand. Com. Rep. No. 388**, and our recommendations hereupon are basically in accordance therewith.

The bill originally provided for special revenue bond funding for airport and maritime facilities, but there being no present need for the latter, references thereto were deleted and the bill was amended to create a new part in chapter 261, relating to aeronautics. In this your Committee concurs.

The terms "special facility" and "special facility lease" were redefined using "more general language", and a definition of the term "remodeling". In this, also, your Committee concurs.

A separate section was added enumerating findings and determinations that are required of the department of transportation prior to entry into a special facility lease, intended to emphasize the prerequisites to such leases. In this, again, your Committee concurs.

Provisions to the effect that no further authorization of the legislature shall be required for entry into special facility leases or for the issuance of the revenue bonds were all deleted, and such approval was expressly included as a prerequisite. Accordingly, the reference to such leases being subject to chapter 171 and the limitation on such bonds were deleted. By amendment hereto, your Committee recommends restoration of the deleted provisions.

Because the director of transportation has stated that a large degree of flexibility is required in providing the support facilities as specific needs arise, it would be impractical and restrictive to require legislative authorization for each lease and bond issuance for the funding thereof. Moreover, because the bonds are issued in the name of the department rather than in the name of the State, and because the same requires approval of the governor, your Committee sees no further need for legislative approval when the bonds are payable solely from and secured solely by revenues derived by the department from the facility for which they were issued, and, therefore, does not constitute a general liability of the State nor count against the debt ceiling.

However, until this program is proven to be suited to Hawaii's particular needs and we are otherwise satisfied that it is of sound fiscal policy, we recommend reduction of the originally proposed bond authorization to \$15,000,000, and the bill has been amended accordingly. If experience proves favorable, the limit can be increased in the future.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 210, S. D. 2**, as amended herein, and recommends that it pass second reading in the form attached hereto as **S. B. No. 210, S. D. 2, H. D. 1**, and be placed on the calendar for third reading.

Signed by all members of the Committee except Representative Yap.

SCRep. 865 Finance on S.B. No. 1057

The purpose of this bill is to establish a program for highway beautification and disposal of abandoned vehicles by providing a revolving fund in (as introduced) each county to be funded by an additional fee of 50 cents to be collected at the time of the annual registration of motor vehicles.

At present there is no funded program for these purposes, and the disposal of abandoned vehicles itself is an expensive operation. Towing companies are reluctant to dispose of abandoned vehicles because of the high cost of maintaining expensive equipment and the storage costs involved.

Your Committee is informed that there is an average of 400 abandoned vehicles monthly throughout the City and County of Honolulu. With an increasing number of automobiles being registered, it can be expected that the number of abandoned vehicles blighting the highways will proportionately increase. Accordingly, the revenues to be raised by the provisions of this bill will help to keep the highways free of abandoned vehicles.

Your Committee is not altogether satisfied that this problem which plagues the island of Oahu similarly obtains as to the neighbor islands, and based upon our individual observations we are collectively prepared to venture that it does not. So concluding, we have determined to amend the bill, limiting its provisions, including both assessments of the additional fee and its use, to "any county with a population of 100,000 or more".

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 1057**, as amended herein, and recommends that it pass second reading in the form attached hereto as **S.B. No. 1057, H.D. 1**, and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 866 Finance on S.B. No. 1099

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii certain sums as may be necessary for the implementation of new statewide programs during the fiscal biennium 1971-73.

In summary, appropriations are provided for the following programs:

(1) **Surf Parameters** - Act 175, Session Laws of Hawaii 1970, appropriated \$50,000 to the university of Hawaii to begin a three year study on surf parameters in an effort to provide improved protection and stability to Hawaiian beaches and the preservation and enhancement of surfing areas. This bill appropriates \$40,000 to the university in each fiscal year of the biennium to provide for the second and third years of the study.

Legislative guidance for this study was expressed as follows:

" . . . to (1) provide for initiation of a study of surf parameters by the department of ocean engineering so that shoreline projects can be planned and executed with informed knowledge relating to ocean wave phenomena; (2) obtain information from the study in order to protect and enhance safety, navigation activities, recreation facilities, and other shoreline interest; and (3) prepare and submit a report prior to the convening of the regular session of 1971."

Conceding that this language is subject to varying interpretation, your Committee believes, and we hereby find, that the study was intended to "characterize" recreational surfing sites and develop planning parameters suitable for use in assessing the compatibility of proposed marine construction projects with a surfing environment. The "constant factor" anticipated to be produced is then useful, in turn, for enhancing existing surfing areas, creating new sites to increase surfing opportunities, and replacing sites required for other necessary uses.

A review of the study to date indicates that it is deviating from this objective and appears headed in the direction of preservation and enhancement of "endangered" surf sites at the expense of other equally pressing coastal zone programs.

However, testimony by the chairman of the department of ocean engineering of the university of Hawaii tends to indicate that the balance of the study will be conducted as hereinabove prescribed in order to accomplish the objectives indicated. To insure that this is the case, the department is hereby requested to submit a progress report prior to the convening of the regular session of 1972.

(2) **Shark Control** - As amended herein, this bill establishes a shark control revolving fund to be administered by the department of land and natural resources, and makes an appropriation of \$50,000 therefor.

Your Committee on Lands, to which **H. B. No. 1581** relating thereto was referred, indicated that such a sum as initial funding for a program aimed at reducing the population of inshore species of sharks might be a wise investment, finding that:

“there has been an increase in the shark population in the Hawaiian Islands since this population now receives negligible fishing pressure and since our waters supply the shark population with a continuing food source. With water sports activities gaining in popularity and the large number of this state's residents engaging in surfing and diving, the probability of shark attack and the resulting tragedy makes necessary the implementation of measures designed to control the shark population and minimize this possibility.” (**Stand. Com. Rep. No. 254**).

Establishment of the fund also authorizes the department to dispose of the sharks which are caught (or parts thereof) by entering into agreement to sell or contract to sell, without public bid or auction, to any person on a continuing basis not to exceed one year. This bill stipulates that all moneys received from the sale of sharks shall be deposited into the shark control revolving fund.

Thus, according to the chairman of the board of land and natural resources all possible market outlets for locally caught sharks will be explored vigorously, and if feasible the development of a commercial shark fishery by the private sector encouraged. Nonetheless, your Committee is not unaware that the actual sum realizable through the sale of sharks will most probably be far less than the actual cost of carrying out a continuous and systematic shark control program. However, because the program tends toward self-sufficiency, and because we agree that it is otherwise meritorious, as aforesaid, we hereby recommend its initial funding.

(3) **Aerial Spotting of Skipjack Tuna** - This study is intended to assess the number, size, distribution, and behavioral characteristics of aku schools to determine if aku are available in sufficient concentrations that would justify the establishment of a purse

seine fishery in the islands. The department of land and natural resources is appropriated the sum of \$13,250 in each fiscal year to conduct the study.

Your Committee is aware of the economic significance of skipjack tuna fishing and wishes to encourage and facilitate the development of unique methods which will result in greater productivity for our fishing industry. Although the primary purpose of the proposed aerial spotting study will be to gather information basic to the establishment of a purse seine fishery, our existing pole and line fishery will be able to derive immediate benefits from the program by being directed to aku schools that can be seen from the air but which may not be detected by vessels on the ocean surface.

(4) **Purchase of Mental Health Services** - \$100,000 is appropriated to the department of health in each fiscal year for the purchase of mental health services from private agencies to provide for the identification and treatment of pre-school and young school age emotionally disturbed children. The provision of such preventive, corrective, and therapeutic treatment would prepare these children to adequately function in either a special or regular classroom setting. Private agencies to be contracted include the Child Development Center, Salvation Army Kaimuki Children's Psychiatric Unit, Adolescent Halfway Houses on neighbor islands, and the Kauikeolani Children's Hospital.

(5) **Waipahu Mental Health Clinic** - The population growth in the Leeward area of Oahu has effected an increase in the number of children attending schools in the area and a corresponding need for expanded consultative services to the schools. This bill would appropriate \$34,799 in fiscal year 1971-72 and \$34,799 in fiscal year 1972-73, to be expended by the department of health, to provide for a child psychiatrist, paramedical assistant, and stenographer for the clinic.

(6) **Pre-Employment Preparation of AFDC Mothers** - The objective of this project is to demonstrate that pre-employment preparation efforts will enable AFDC (Aid to Families with Dependent Children) mothers to become employed and then be less dependent on public assistance. The 1970 appropriation provided sufficient funds to conduct the project in urban Honolulu. The \$34,425 appropriated for fiscal year 1971-

1972 would enable the department of social services and housing to extend the demonstration to rural Oahu.

Your Committee has amended this bill by:

(1) Adding section 1, establishing the Shark Control Revolving Fund;

2. Changing the designation of the appropriation for shark control purposes from "Shark Control and Related Research Activities to "Shark Control Revolving Fund", and eliminating the \$50,000 appropriation for fiscal year 1972-73;

(3) Eliminating the \$25,000 appropriation for "Study on Effects of Non-public School Closures and the Problems of Non-public School Financing";

(4) Eliminating the \$25,000 appropriation for "Food Program for Elderly - Maui"; and

(5) Eliminating the \$25,000 appropriation for "Food Program for Elderly - Kauai".

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 1099, S. D. 1**, as amended herein, and recommends that it pass second reading in the form attached hereto as **S. B. No. 1099, S. D. 1, H. D. 1**, and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 867 Finance on S.B. No. 1216

The purpose of this bill is to restructure the Commission on Children and Youth into a viable action group by changing its composition, establishing two action research groups and giving autonomy to county committees on children and youth. This bill amends sections 581-1, 581-2, 581-3, and 26-8, Hawaii Revised Statutes.

The principal changes effected hereby are:

1. **Transferring the commission from the Department of Budget and Finance to the Office of the Governor.** The Department of Budget and Finance is oriented primarily to fiscal matters and cannot incorporate the broad concerns of the commission relating to children and youth.

2. **Increasing the number of commissioners to cover two areas.** It provides for the

establishment of two action research groups, one to serve children from conception through age 12, the Coordinated Child Care Committee, and the other to serve youth from ages 13 through 24, the Action Committee for Young Adults. The separation is important because each group has problems and interests that are unique and demand separate but equal attention. A larger membership will provide a broader base for leadership; this is the heart of the commission's programs.

a. The proposed Coordinated Child Care Committee in the Commission on Children and Youth is designed to meet the Department of Health, Education and Welfare priorities in coordinating child development funds and programs. Federal funds can be used to staff this committee. In particular, the Coordinated Child Care Committee will be extremely useful in coordinating the pre-school programs of the Department of Education and the day care programs of the Department of Social Services.

b. The proposed Action Committee for Young Adults is designed to provide a much needed structure through which young adults can propose meaningful changes in delivery of services to the young adults of the State.

3. **Eliminating ex-officio members and specialists from commission membership.** The schedules of ex-officio members do not permit most of them to attend regular meetings at the state and county levels; and the State Attorney General ruled that their alternates cannot be counted for either establishing a quorum or voting. For example, the Oahu Committee on Children and Youth had no quorum over the past year. This bill, however, does not deny the value of these ex-officio members; instead it permits a greater participation of governmental leaders.

4. **Providing greater autonomy for county committees on children and youth.** County committees, especially in the case of the Oahu committee, are funded by their respective counties; however, only a vague relationship exists between committees and their respective counties under the present law. This bill strengthens the relationship between committee and county by making the committee directly responsible to the county.

5. **Emphasizing action rather than study.** Emphasis on action oriented research is consistent with PPBS approach to attainment of State objectives.

In this respect, your Committee has amended by adding a new section, numbered 6, to provide for an appropriation of \$124,000, of which \$24,000 shall be used for the additional staffing authorized in section 5 (\$12,000 for each fiscal year) to supplement federal funds, and \$100,000 shall be used as seed money to mount exemplary demonstration programs to better meet the needs of our children and youth. The next ensuing section, numbered 7, is also new, designating the office of the governor as the expending agency. Subsequent sections (Ramseyer method and effective date) were renumbered accordingly.

The Senate passed this bill with the program unfunded, based upon a recommendation of the Committee on Ways and Means that the appropriation provision be deleted "inasmuch as necessary funds for the implementation of youth-oriented programs are provided for in **S. B. No. 1073.**" (*Senate Standing Com. Rep. No. 449*).

We have reviewed the provisions of **S. B. No. 1073**, which shall be reported out of your Committee concurrent herewith, and we cannot agree that the appropriation made therein would enure to the benefit of the programs contemplated by this bill. First of all, according to your Committee on Public Health, Youth and General Welfare, to which **S. B. No. 1073, S. D. 1**, was initially referred, its purpose is to:

" . . . establish a centralized state information service in the office of the governor, consisting of a central office at the capital and satellite offices located in each county and (2) establish within the state information service a youth affairs office as a special section in the office of the governor with representatives from each county."

Thus, it sets up a whole new program, essentially unrelated to the purposes of this bill. Also, although it appropriates the sum of \$112,000 for the biennium, it does not authorize the positions required for this bill, providing instead that the governor may transfer personnel and appropriations to his office "to carry out the purposes of **this Act**", referring to **S. B. 1037**. (Emphasis added). Lastly, assuming the funds thereby appro-

priated are applicable to the purposes of this bill, we do not believe the amount thereof to be sufficient to meaningfully achieve the same.

Your Committee has also amended the bill in Section 1 amending section 581-1 to provide that "**at least** one third of the members (of the commission) shall be less than twenty-five years of age." Such a provision was originally suggested by your Committee on Public Health, Youth and General Welfare reporting on companion **H. B. No. 1518, H. D. 1**, in **Stand. Com. Rep. No. 379**, in which it is stated:

"In its original proposal, the Governor's Action Committee for Young Adults recommended that a majority of the commission, at least 51 per cent, be between the ages 18 through 24. Although the Administration's position is that the composition requirement needed not be spelled out in law, your Committee feels that future administrations may not be as committed to dealing with the problems and needs of our young adults; therefore your Committee feels a statutory requirement is necessary. Because of disagreement among your Committee members as to the percentage of commission members less than twenty-five years of age, your Committee feels that a one-third composition of members less than twenty-five is satisfactory."

Your Committee also effected certain essentially technical amendments as to style and language which do not otherwise affect the intent and purpose of the bill.

Your Committee believes that this bill offers an insight if not a solution, to the problems and challenges of young people. Since its inception prior to the 1950 White House Conference on Youth, the functions of the commission have been hindered by statutory limitations. Recent efforts to enfranchise the 18 year old reflect a trend among all levels of government to **plan with rather than for youth**. The State of Hawaii shares these concerns and should direct its efforts toward offering youth the opportunity to develop programs within our community.

This bill does not offer a guarantee, but it does create a channel through which the State and youth of Hawaii can strive for a viable and meaningful relationship.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 1216, S. D. 2**, as amended herein, and recommends that it pass second reading in the form attached hereto as **S. B. No. 1216, S. D. 2, H. D. 1**, and be placed on the calendar for third reading.

Signed by all members of the Committee except Representative Poepeo.

SCRep. 868 Finance on S.B. No. 149

The purpose of this bill, as amended, is to allow the governor, by executive order, to change the business hours of public welfare offices.

Under existing law, all offices of the State are required to be open for the transaction of business between the hours of 7:45 a.m. and 4:30 p.m., Monday to Friday, inclusive. During certain seasons, however, the department of social services and housing is besieged with mass movement of public welfare recipients and an increased influx of applications which causes an excessive workload on the staff. To cope with this problem the existing law is amended by affording some flexibility as to the number of hours public welfare offices shall remain open to accept applications.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 149, S. D. 1**, and recommends that it pass third reading.

Signed by all members of the Committee.

SCRep. 869 Finance on S.B. No. 716

The purpose of this bill is to amend the student loan assistance program under section 304-93 and 304-94 in the following respects: (1) to extend the program to include summer sessions; (2) to fix the interest rate at three per cent; and (3) to provide for repayment of principal and interest in periodic installments nine months after graduation or withdrawal from a degree program.

According to your Committee on Higher Education, to which this bill was initially referred:

“Your Committee believes that enabling students to borrow money to attend summer sessions is a move in the right direction because it opens an option for students to accelerate their college program. Fixing

the interest rate at three per cent will mean that a student will know exactly how much he needs to repay. Repayment of the loan in periodic installments provides for more flexibility, especially when small loans can be repaid on a quarterly rather than a monthly basis. Extending the time to start payments on the loan from six to nine months after graduation will give students additional time that sometime is necessary to get into a more solvent position.”
(**Stand. Com. Rep. No. 808**).

In these findings and conclusions we concur.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 716** and recommends that it pass third reading.

Signed by all members of the Committee.

SCRep. 870 Finance on S.B. No. 904

The purpose of this bill is to amend Acts 103 and 238, Session Laws of Hawaii 1967 and 1965 respectively, to permit the Department of Hawaiian Home Lands to make commercial loans, in addition to farm loans presently authorized.

Acts 103 and 238 restrict loans from the appropriations contained therein to lessees and for farm and ranching purposes only. The amendments proposed by this bill would allow the department (a) to make loans for commercial and mercantile purposes in addition to farm loans, and (b) as introduced, to make loans to those eligible to become lessees as well as those who are lessees.

With regard to expanding the scope of purposes for which loans may be made, your Committee on Hawaiian Homes, to which this bill was initially referred, has stated in **Stand. Com. Rep. No. 780**:

“Expansion to include commercial loans is a realistic response to the need of the lessees to engage in non-agrarian activities. Our society is no longer purely agrarian, and as such the law must be changed to reflect this fact.”

However, that Committee went on to recommend amendments hereto, limiting eligibility for the expanded purpose for which such loans may be made to lessees (only) un-

der the Hawaiian Home Commission Act, and "to simplify, for purpose of clarification, the language" hereof.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 904, H. D. 1**, and recommends that it pass third reading.

Signed by all members of the Committee.

SCRep. 871 Finance on S.B. No. 1073

The purpose of this bill is to (1) establish a centralized state information service in the office of the governor, consisting of a central office at the capitol and satellite offices located in each county and (2) establish within the state information service, a youth affairs office as a special section in the office of the governor with representatives from each county.

Upon consideration hereof, the Senate effected the following significant amendments:

(a) Provided for an appropriation of \$112,000 for the biennium.

(b) Added a new Section 4 to authorize the governor to transfer appropriations and personnel to carry out the provisions of the bill.

(c) Changed the effective date of the Act to July 1, 1971.

Your Committee on Public Health, Youth and General Welfare, to which this bill was initially referred, has stated in **Stand. Com. Rep. No. 811**, which is incorporated herein by reference that "a centralized state information service is necessary to meet the community's informational needs about the functions of the government's various departments and agencies," and "a Youth Affairs Office, meeting the informational needs of young people, will serve as a major point of contact for youth, thereby helping youth to feel and become involved with government and community."

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 1073, S. D. 1**, and recommends that it pass third reading.

Signed by all members of the Committee except Representative Poepoe.

SCRep. 872 Finance on S.B. No. 1288

The purpose of this bill is to establish a Hawaii Research Center for Futures Study and to make an appropriation therefor.

The Research Center is created to serve as resource of the Commission of the Year 2000, the proposed Commission on Population Stabilization, and such other public agencies as may properly require its services and assistance in locating research experts for particular studies and in working out the dimensions and contractual arrangements for such studies. The bill also appropriates the sum of \$10,000 out of the general revenues of the State of Hawaii.

The Center is also intended to encourage and promote invention and experimentation in futures study, planning and design. The Center is mandated to maintain an inventory of studies, research and other information concerned with futures study, planning and design applicable to the State.

Your Committee on Higher Education, to which this bill was initially referred, stated in **Stand. Com. Rep. No. 810** that it was in agreement with **Senate Standing Committee Report No. 520**:

"that the initial task of the director of the Center will be the formulation of program and financial plans with such plans to be submitted to the 1972 Regular Session of the legislature 20 days prior to its convening. Your Committee reiterates certain portions of **Standing Committee Report No. 520** so as to leave no doubt as to what constitutes legislative intent. The plan should be consistent with the requirements of Act 185, S.L.H. 1970, and include statement of objectives, measures of effectiveness, the level of effectiveness planned for each of the ensuing six years, a description of the activities planned for the next six years, program size indicators and the program size planned for the next six years, and the full cost implications of the recommended program for the next six years with an explanation of the personnel requirements and other factors which relate to program costs."

The bill provides that the director need not be full-time, depending upon the extent of the requests for research assistance and for carrying out other specified functions.

The sum appropriated shall be expended by the governor.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 1288, S. D. 1**, and recommends that it pass third reading.

Signed by all members of the Committee except Representative Poepoe.

SCRep. 873 Finance on S.B. No. 1168

The purpose of this bill is to amend existing law relating to the tuition structure, Board of Regents tuition waivers, and State scholarships for the University of Hawaii System as follows:

1. To provide for a **minimum** tuition of \$170 per year for baccalaureate campuses in the University of Hawaii System, rather than the present statutory **maximum** of \$170;

2. To provide for a **minimum** tuition of \$30 per year for the Community Colleges;

3. To provide for an increase in State financial aids, including tuition waivers and State scholarships, in the amount of a percentage of the total full-time undergraduate enrollment for the entire system, with the percentage rate to increase in annual increments from 6 per cent in 1971-72 to a maximum of 10 per cent by 1975; and

4. To request, via Committee Report, that the Board of Regents together with the Administrations of the various segments of the System, evaluate the existing tuition structure of the University of Hawaii, and devise a new tuition structure for the System, comparable to those at other universities of similar size and quality, and that the Board present to the Legislature prior to the 1972 Session its plan for the implementation of a tuition increase to be effectuated no earlier than fall, 1973.

Your Committee has reviewed the issues contained in this bill, and, not unlike your Committee on Higher Education to which this bill was initially referred, we are in general agreement with the views expressed in **Senate Standing Committee Report No. 501**, which we also incorporate herein by reference to provide direction and guidance to the University of Hawaii in implementing this bill.

However, that Committee, in **Stand. Com. Rep. No. 809** reporting hereupon, went on to express a desire "to amplify certain portions of **Standing Committee Report No. 501**, in order to clarify legislative intent concerning the implementation of a tuition increase for the University of Hawaii System and the corollary provision of additional State financial aids." We shall repeat them here.

"Your Committee feels that any significant tuition increase for the University of Hawaii System should be accomplished incrementally over several years, in order to allow the students to make the necessary compensatory arrangements. For similar reasons, your Committee would like to stipulate that the earliest effective date for such increases should be no earlier than the fall semester of 1973.

"State financial aids shall also be increased incrementally, in order to cope with the corollary demands of increased tuition and with the increased student enrollment statewide. This bill would provide for total State financial aids in the amount of 6% of the total full-time enrollment Systemwide for the forthcoming year, with the percentage to increase incrementally to a maximum of 10%, along with the increase in tuition rates for the system.

"Your Committee would like to point out that while the State financial aids as provided in this bill differ structurally from those of **H. B. No. 793, H. D. 1**, which has already been approved by this body, that the amount of financial aid for the system will be essentially the same as that provided by the House Bill, with greater flexibility to cope with greater demands."

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 1168, S. D. 2**, and recommends that it pass third reading.

Signed by all members of the Committee.

SCRep 874 Finance on S.B. No. 372

The purpose of this bill is to permit the owner of any parcel of real property not more than 10,000 square feet in area on which he resides within an urban district to have the same assessed at its value in the classification of residential use for property tax purposes.

Under existing assessment procedure all properties in an area with a common designated urban use are uniformly taxed regardless of actual use. Property taxes based on the highest and best use frequently impose a burden on those property owners who have no intention or desire to take advantage of the highest and best use. This bill, then, allows such property, upon petition to the director of taxation, to be placed in a special "land reserve" created hereby, and to be taxed as single residential use; provided that the owner uses it as his home.

Your Committee finds that certain property owners, particularly elderly retirees with limited income, who continue to live in their homes located in areas where the land use character has changed to a higher use, are subjected to financial burden which they may not be able to afford. So situated, they may be required to remove elsewhere, thus being deprived of their property, in effect.

Some of the other principal features of this bill, as amended by the Senate, are:

1. That "owner" includes the owner in fee and also a lessee whose term extends at least ten years from the date of the petition.
2. That approval of the petition constitutes a forfeiture on the part of the owner of any right to change the use of his land for a minimum period of ten years, renewable for additional periods of ten years upon reapplication, subject to cancellations by either the owner or director upon five years' notice.
3. That failure to observe the restrictions upon use shall cancel the special tax assessment privilege retroactively, subject to payment of the tax difference upon the higher use, plus a penalty of eight per cent per year.
4. That the director of taxation shall make a finding that the property qualifies, as aforesaid, and additionally, that unless the petition for dedication allowed, the owner will suffer "financial hardship".

In this latter respect, your Committee has amended the bill by deleting in the second paragraph of subsection (c), the requirement that the director make this additional finding of fact. We are not altogether certain that such an unwarranted (if not unlawful) delegation of legislative authority does not have the effect of potentially denying all persons

otherwise similarly situated of equal protection of the law.

Your Committee further amended the bill, in subsection (f), by adjusting the filing, approval and effective dates of the petition and assessment, to correlate with the "tax year" on a fiscal basis as contemplated by Act 170, Session Laws of Hawaii 1969 (relating to real property tax due dates), rather than on a calendar year basis, as drafted.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 372, S. D. 1**, as amended herein, and recommends that it pass second reading in the form attached hereto as **S. B. No. 372, S. D. 1, H. D. 1**, and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 875 Higher Education on H.R. No. 182

The purpose of this resolution is to request the Legislative Auditor to conduct a study of alternative methods of financing higher education and to submit a report to the 1973 Regular Session of the Legislature. In assessing future budgetary requirements for higher education, it is obvious that the cost will rise mainly because an increasing proportion of our high school graduates are enrolling in our institutions of higher learning. Hawaii is deeply committed to the importance of education, and if we are to maintain the quality of education, resources must grow in commensuration with enrollment increases. Therefore, it becomes necessary to look into better financing alternatives and a re-evaluation of the relative shares of cost borne by students, government, and private philanthropy.

In its testimony before the Committee, the University of Hawaii stated that such a study is timely and that the Legislative Auditor is well qualified to conduct the study.

Your Committee on Higher Education is in accord with the intent and purpose of **H. R. No. 182** and recommends its referral to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 876 Higher Education on H.R. No. 214

The purpose of this resolution is to request the Department of Education and the University of Hawaii to study and develop recommendations for a more effective and efficient means of carrying out the adult education program. At the present time, there are adult education programs being provided by the DOE as well as the University. Because the programs are administered by two different agencies, there are reasons to believe that there may be unwarranted duplication of efforts, while having gaps in other areas.

Your Committee believes that an objective study could help to uncover areas of weaknesses in our present dual system so that corrective actions, if necessary can be implemented. The resolution states that the office of the Vice-President for Community Colleges shall coordinate the study. It should be clear that the participation of community college personnel does not mean that the transfer of functions to the community colleges is preconceived. Instead, the participation of respective departments should serve as a means to more adequately develop a coordinated program.

Your Committee on Higher Education is in accord with the intent and purpose of **H. R. No. 214** and recommends its referral to the Committee on Finance for further consideration.

Signed by all members of the Committee.

SCRep. 877 Judiciary on S.B. No. 1160

The purpose of this bill is to amend Chapter 611 of the Hawaii Revised Statutes to provide legal representation to indigent persons, to provide for fiscal responsibility in doing so, and to remove any aura of conflict in existing legislation.

Under present law the supreme court is authorized to contract for services to indigent persons accused of offenses punishable by imprisonment for more than sixty days, and related cases. Your Committee has amended this bill by substituting the department of budget and finance of the State in lieu of the Supreme Court of the State throughout section 611-3, H.R.S., to eliminate any aura of conflict in a situation where those persons defending indigents are appearing in the Supreme Court of the State.

Your Committee is in accord with the intent and purpose of **S. B. No. 1160, S. D. 1,**

as amended herein, and recommends its passage on Second Reading in the form attached hereto as **S. B. No. 1160, S. D. 1, H. D. 1,** and its referral to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 878 Judiciary on S.B. No. 766

The purpose of this bill, as amended, is to grant minors, sixteen years of age or older, the legal capacity to consent to medical and dental care and services.

The present law allows a minor fourteen years of age or older to legally consent to medical care and services if the minor alleges that she is pregnant or that he or she professes to be afflicted with a venereal disease. As amended, this bill would not restrict the situations in which a minor may give legal consent to dental services and most forms of medical care. It should be noted, however, that this bill would restrict the present law in several ways. First, the minor would have to be at least sixteen years of age, instead of the present age of fourteen, before legal consent may be given. Second, the minor is expressly prohibited from having the capacity to consent to surgery and abortion.

Testimony before your Committee indicates that to institute such restrictions would serve no useful purpose and might, in fact, be detrimental to the health of our community. It is possible, for example, that a minor between the ages of fourteen and sixteen might become afflicted with a venereal disease. To allow the disease to fester unchecked would result in serious harm to the minor, as well as being potentially dangerous to the health of others in the community.

Consequently, your Committee, while feeling that this bill should not be construed as relieving parents of all responsibilities for the care of their adolescent children, is of the opinion that any minor, age fourteen or older, should be given access to medical care if that minor professes to be pregnant or afflicted with a venereal disease. Moreover, your Committee recommends that an emancipated minor should be allowed to give legal consent to any form of medical or dental treatment.

Accordingly, your Committee upon consideration of **S. B. No. 766, S. D. 1,** recom-

mends that it be amended in the form attached hereto as **S. B. No. 766, S. D. 1, H. D. 1.**

Your Committee on Judiciary is in accord with the intent and purpose of **S. B. No. 766, S. D. 1**, as amended herein, and recommends its passage on Second Reading in the form attached hereto as **S. B. No. 766, S. D. 1, H. D. 1**, and placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 879 Lands on H.R. No. 78

The purpose of this resolution is to request the Department of Land and Natural Resources to permit the use of State land at Honokaia, Hamakua, Hawaii for small economic unit size farming and ranching.

Your Committee is aware of the need to develop independent farming operations. The rapid urbanization of Oahu and, to some extent, the neighbor islands has resulted in a scarcity of land, especially land which may be subjected to agricultural use. In the instance the private land market should not afford a small farmer or a rancher the opportunity to develop his operation, then the State, as a major land owner, should act to meet this need.

Your Committee on Lands concurs with the intent and purpose of **H. R. No. 78** and recommends that it be referred to your Committee on Agriculture.

Signed by all members of the Committee.

SCRep. 880 Labor on H.C.R. No. 37

The purpose of this resolution is to request an interim study by the director of the Department of Social Services and Housing, the chairman of the Board of Land and Natural Resources, the director of the Department of Labor and Industrial Relations, the chairman of the Commission on Manpower and Full Employment and all other directors of appropriate county agencies, under the coordination of the Commission on Manpower and Full Employment, on rising unemployment, increase in welfare payments, and related problems. The Commission on Manpower and Full Employment is further requested to submit a report, with the specific

recommendations of the group on how these problems may be met, twenty days prior to the beginning of the next session.

Your Committee concurs with the purpose of **H. C. R. No. 37** and recommends its referral to your Joint Select Committee of Kauai, Maui, Oahu and Hawaii representatives.

Signed by all members of the Committee.

SCRep. 881 Labor on H.R. No. 128

The purpose of this resolution is to request an interim study by the director of the Department of Social Services and Housing, the chairman of the Board of Land and Natural Resources, the director of the Department of Labor and Industrial Relations, the chairman of the Commission on Manpower and Full Employment and all other directors of appropriate county agencies, under the coordination of the Commission on Manpower and Full Employment, on rising unemployment, increase in welfare payments, and related problems. The Commission on Manpower and Full Employment is further requested to submit a report, with the specific recommendations of the group on how these problems may be met, twenty days prior to the beginning of the next session.

Your Committee concurs with the purpose of **H. R. No. 128** and recommends its referral to your Joint Select Committee of Kauai, Maui, Oahu and Hawaii representatives.

Signed by all members of the Committee.

SCRep. 882 Housing and Consumer Protection on H.C.R. No. 93

The purpose of this Resolution is to request the Legislative Auditor to:

1. Prepare a comparative report on the various no fault insurance plans and on the feasibility of the establishment of a state motor vehicle liability insurance fund; and

2. Submit a plan for the establishment of such state fund if it is feasible.

Your Committee finds that a need does exist to:

1. Provide for the fair compensation of persons sustaining property damage and personal injury as a result of motor vehicle accidents;

2. Provide for the availability of motor vehicle liability insurance at reasonable rates;

3. Provide for reasonable and fair compensation for services rendered to repair motor vehicle damage, to treat persons injured, and to recover damages; and

4. Establish a system which will encourage careful operation of motor vehicles and decrease motor vehicle accidents.

Your Committee has received testimony and evidence on various "no fault" motor vehicle insurance proposals and a proposal for a state motor vehicle liability insurance fund as possible means for solutions to satisfy the need described herein.

Your Committee, however, is not in a position to recommend the enactment of any proposal which will best satisfy the need described herein due to:

1. The lack of time to consider intelligently such a complex problem; and

2. The lack of substantial evidence to support the numerous conflicting arguments and opinions presented to your Committee.

For example, no satisfactory actuarial evaluation was submitted with respect to the various proposals. Consequently, the enactment of any proposal without reliable data may be harmful to the public's interest.

If your Committee's recommendation for passage of this resolution is adopted, your Committee does suggest that the Speaker of the House of Representatives and the President of the Senate appoint a joint interim committee to review the report and recommendations of the Legislative Auditor and that such committee, with respect to that proposal which will best meet the needs described herein, make a recommendation to the Legislature during the 1972 session.

Your Committee on Housing and Consumer Protection is in accord with the intent and purpose of H. C. R. No. 93 and recommends its adoption.

Signed by all members of the Committee except Representative Uechi.

SCRep. 883 Labor on H.R. No. 145

The purpose of this resolution is to request the department of labor and industrial relations to conduct a survey on how recently discharged veterans are faring in the labor market and to report its findings to the legislature before the next session.

National statistics available on veterans indicate that recently discharged veterans fare rather poorly in the labor market and the age group to which most of them belong has a disproportionately high rate of unemployment. A survey of the labor market experiences of recently discharged veterans in Hawaii would undoubtedly be of value to the legislature in determining possible courses of action to aid this group with their problems.

Your Committee on Labor concurs with the purpose of H. R. No. 145 and recommends its referral to your Committee on Finance for further consideration.

Signed by all members of the Committee.

SCRep. 884 (Majority) Economic Development on H.R. No. 267

The purpose of this resolution is to request the Department of Planning and Economic Development to study the desirability and feasibility of moving the State Capitol to a neighbor island.

The island of Oahu now serves as the nucleus of governmental, administrative, industrial, financial and maritime activities. This concentration has and may continue to result in demographic imbalances detrimental to the proper overall development of the State and prejudicial to the preservation of Oahu's environment. The transfer of the State Capitol to a neighbor island may be a feasible method of alleviating such imbalances.

Your Committee on Economic Development concurs with the intent and purpose of H. R. No. 267 and recommends its referral to the Committee on Finance.

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

SCRep. 885 Finance on S.B. No. 33

The purpose of this bill is to establish an organized crime unit in the department of the attorney general to assist the local law enforcement agencies in combatting organized crime in Hawaii.

This bill authorizes the attorney general to establish an organized crime unit under his supervision and control with the following functions and duties:

- (1) Receive, gather, and analyze information;
- (2) Develop tactical and strategic intelligence;
- (3) Assist in control of organized criminal activity;
- (4) Provide technical assistance and training to county law enforcement agencies in the detection and prosecution of organized crime; and
- (5) Provide with the attorney general's approval specialized personnel and technological equipment for the use of law enforcement agencies in the State with respect to organized crime.

The bill is not intended to pre-empt any of the functions or duties of the local law enforcement agencies, nor is it the intent of the bill to create a state police force. Rather, its effect is to establish a unit comprised of personnel with the necessary technical skills to provide services of a supportive, facilitative, or developmental nature to aid the county law enforcement agencies in combatting organized crime without limiting other powers of the attorney general as provided by law. It would provide direct services only when a county lacked the specialized personnel or the willingness to take the appropriate action against organized criminal suspects or activities.

Your Committee has recommended a \$50,000 appropriation for the crime unit. This amount represents less than one-fourth of the total expected cost to operate the program in its first year of operation. The Law Enforcement Assistance Administration, the federal funding agency under the Omnibus Crime Control and Safe Streets Act of 1968, has indicated a willingness to allocate to Hawaii over \$200,000 of federal funds, provided State matching funds are made available on a 75-25 percent federal-state basis for the purpose of establishing the organized crime unit as contemplated by this bill.

Your Committee has been informed that the State Law Enforcement and Juvenile Delinquency Planning Agency has filed an ap-

plication for federal funds with the Law Enforcement Assistance Administration based on the concept proposed by this bill. Your Committee has also been informed that the Supervisory Board of the Law Enforcement and Juvenile Delinquency Planning Agency, composed in part of all of the mayors, chiefs of police, and prosecuting attorneys of all of the counties, has reviewed and endorsed the action of the agency.

Assuming the federal funds are available, the following costs are contemplated:

Personnel:		
Director	\$ 28,000	(1)
Attorneys	50,000	(2)
Organized Crime Specialists	\$ 54,000	(3)
Legal Stenographer	8,928	(1)
Clerk Stenographer	7,716	(1)
	\$148,644	(8)
Fringe Benefits	28,173	
	Sub-total	\$176,817
Travel Expenses:	9,010	
Equipment:	10,195	
Supplies and Other		
Operating Expenses:	31,050	
	TOTAL	\$227,072

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 33, S. 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. 886 Finance on S.B. No. 270

The purpose of this bill is to make numerous amendments to the Hawaii Temporary Disability Insurance Law, chapter 392, Hawaii Revised Statutes.

The intent of the Temporary Disability Insurance Law, as expressed in section 392-2, Hawaii Revised Statutes, is "to provide benefits to individuals in current employment that will afford to them reasonable compensation for wage loss caused by disabling nonoccupational sickness or accident . . ." Two important guarantees are inherent in this statement: (1) that the law assures prompt benefit payments so as to minimize the hardship disabled employees and their families must endure during the period of disability; and (2) that the law protects the

benefit and appeal rights of disabled employees from being violated, curbed or disregarded.

The department of labor and industrial relations has made a number of recommendations for the improvement of the law, based upon its experience in administering the law over the last year. Their suggested amendments would (1) ease or eliminate certain restrictions which hinder or delay payments to disabled employees; (2) strengthen the enforcement authority of the department to bring about stricter compliance to the law's requirements by employers and insurers; (3) set deadlines for submitting required information by employers and insurers; (4) extend TDI benefits to employees from whom premium payments are withheld; and (5) streamline the appeal process to permit differences to be heard and resolved more expeditiously.

Senate Draft 1 eliminates proposed substantive amendments as well as some procedural amendments, on the premise that more experience is needed to clearly establish the necessity of these changes in waiting periods, the appeal procedure, eligibility requirements, and coverage.

The specific proposals which are now contained in **S. D. 1** are discussed below:

1. Sub-section 1(a) of the bill proposes a slight modification in the method of computing weekly benefits. Under section 392-22, if a claimant's average weekly wage is less than \$25, he is entitled to receive a weekly benefit equal to said weekly wage but no more than \$14. Where the average weekly wage is \$25 or more, the weekly benefit amount is 55% of said average "rounded off to the nearest \$1," subject to the maximum prescribed in the law. The unemployment compensation law, on the other hand, computes a weekly benefit amount to the next higher dollar. This difference in computational method results in unemployment compensation claimants often receiving \$1 more than temporary disability claimants at the same average weekly wage. The bill proposes to round off the computation of temporary disability benefits to the next higher dollar to achieve parity in benefit levels. Sub-section 1(a) also proposes to amend the minimum average weekly wage below which the benefit amount equals the wage from the present \$25 to \$26. This is necessary to avoid situations where the same amount would be payable to some employees

in both the below \$25 per week category and the above \$25 category.

2. Sub-section 1(b) of the bill proposes to require the submission of proof of disability by the certifying person, either a doctor, dentist, or authorized practitioner of a group which depends for healing upon prayer or other spiritual means, within seven days of the examination and finding of disability. Section 392-26 presently contains no time limitations on the filing of such documents and this has occasionally resulted in undue delays in the payment of benefits.

3. Sub-section 1(c) proposes to amend the section covering ineligibility for benefits by making partial benefits payable to an employee who recovers from a disability and returns to work but suffers a relapse after working a few hours. Section 392-27 now makes a claimant ineligible for benefits for any day during which he has performed work for remuneration or profit. The proposal would make partial benefits payable in situations where the gross wages for the day do not equal or exceed the prorated benefit the claimant would have received had he not worked.

4. Sub-section 1(d) proposes a minor amendment to section 392-41 relating to methods to secure payment of benefits. Said section of the law mandates the establishment of an "assigned risk spreading plan" for "poor risk" employers who are ordinarily unable to secure insurance coverage. The proposed amendment would require an insurance carrier who declines to insure a "poor risk" employer to notify him of the availability of the "assigned risk spreading plan."

5. Sub-section 1(e) proposes to amend section 392-42 covering notice of insurance. Said section now requires an employer who chooses to satisfy his obligation for the payment of benefits through insurance coverage to forthwith file a notice to that effect with the director. The proposal is to require the employer or his insurer to file said notice and to authorize the director to levy a \$10 penalty if it is not filed within 30 days of the purchase of insurance in order to encourage compliance.

6. Sub-section 1(f) proposes three amendments to section 392-43 relating to withholding of contributions from employees. Said section presently requires the refunding or

crediting of excess contributions withheld from employees.

Employees ineligible for benefits because of their limited hours of work now have deductions made for temporary disability insurance costs. This unjust situation is rectified by the provision that the withholding of contributions from employees is authorized after they have met the eligibility requirements of the law.

Where the employee from whom excess contributions have been withheld is no longer employed or cannot be located, the refunding or crediting becomes difficult. To rectify this situation, the bill proposes to require the deposit of the excess in the Special Disability Fund from which the refund would be made if and when the employee is located. If the employee remains unlocated for two years, the monies would be forfeited to the special fund.

There is also no provision specifically covering the disposition of contributions withheld by employers who neglect to provide benefit protection for their employees. The bill proposes to require the deposit of such contributions in the Special Disability Fund where employees have received benefits from the fund and the refund of contributions where employees have received no benefits from the fund.

7. Sub-section 1(g) proposes to amend section 392-44 of the law to require the first payment of benefits within 10 days, excluding Saturdays, Sundays, and holidays, after filing of the required proof of disability. Said section now requires such payment to be made within 14 days from the date of disability. The bill also proposes the assessment of a 10% penalty for late payment of benefits.

8. Sub-section 1(h) proposes two amendments to the subrogation section of the law, section 392-45. Said section presently provides for the subrogation of rights to an employer, an association of employers, an insurer, or the special fund if temporary disability benefits are paid and **total disability benefits** are subsequently awarded under the workmen's compensation law for the same periods of disability. This bill would amend said section to make subrogation rights apply to "**benefits for any disability**" under the workmen's compensation law. It further proposes new language which would require a proportionate division of recovered sums on

the basis of the amount of disability benefits paid in the event more than one employer or insurer have subrogation rights for the same periods of disability. It also proposes to make it unnecessary for any difference between the disability benefits paid and the amount recovered through the exercise of subrogation rights to be made up.

9. Sub-section 1(i) proposes a minor amendment to the section covering penalties and injunctions for failure to give security for payment of benefits. Section 397-47 presently permits the director to bring actions for the collections of penalties, in the name of the state, against employers who fail to make provision for the payment of benefits to their employees. He is also authorized to seek injunctions prohibiting non-complying employers from doing business if the non-compliance continues for thirty days or more. The proposal is to permit the director to bring these actions in his own name to facilitate enforcement.

10. Sub-section 1(j) proposes to amend section 392-65 to authorize the director to institute administrative and legal actions for the recovery of benefits paid from the Special Disability Fund to disabled employees of non-complying or insolvent employers. Said section now provides for the payment of such benefits but does not contain provisions specifically authorizing recovery of amounts so paid.

11. Sub-section 1(k) proposes a new section to grant the director discretion to levy penalties against employers for failure to pay the assessments made against all employers for the establishment of the Special Disability Fund. The penalties would be at least \$10 but no more than 10% of the assessment.

12. Sub-section 1(l) proposes a new section to require a non-complying or insolvent employer to file employment and wage information on a disabled employee within 7 days of a request for such information from the department. This information is necessary to determine benefit entitlement and benefit amounts. There is no present provision requiring such filing. The imposition of a penalty of not more than \$10 for each delinquent report is also proposed.

13. Sub-section 1(m) allows representation by counsel or other duly authorized agent in proceedings before the department or a referee, but limits fees of counsel or agent.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 270, S. D. 1**, and recommends its passage on third reading.

Signed by all members of the Committee.

SCRep. 887 Finance on S.B. No. 862

The purpose of this bill is to appropriate funds for a feasibility study of a major systems recycling program for the State's natural resources and solid waste.

The bill stipulates that the study shall include, but not be limited to:

(a) an evaluation of the State's present solid waste problems along with a survey of existing technologies to either dispose of or recycle solid wastes;

(b) a projection of future solid waste characteristics of the State along with a prediction of possible future technologies of both solid waste disposal and recycling;

(c) a listing of alternative State action plans to encourage and implement recycling in the order of desirability;

(d) a plan for the continued monitoring and re-evaluation of the State's solid waste problems and potentials for recycling;

(e) an investigation of possible sources of funding to assure the maximum implementation of the study's conclusion and proposals.

The bill appropriates \$50,000 to the department of health to carry out the purposes of this Act.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 862, S. D. 1, H. D. 1**, and recommends its passage on third reading.

Signed by all members of the Committee.

SCRep. 888 Finance on S.B. No. 898

The purpose of this bill is to insure that the public welfare programs of the State better serve the interests of the people of Hawaii.

As referred to your Committee following passage by the Senate, the bill imposes a residency requirement of at least one year regarding eligibility for general assistance

under the provisions of section 346-71, Hawaii Revised Statutes. As recommended for further amendment by your Committee, the bill also requires all physically fit persons, as a condition to receiving general assistance, to actively and diligently seek and accept gainful employment.

Respecting the residency requirement provision, the Senate Committee on Human Resources, reporting hereupon on **Standing Committee Report No. 440**, has stated:

"Your Committee finds that the imposition of such a requirement is necessary in order to decrease and reverse the influx of youthful transient persons which has been increasing at an alarming rate. This influx has caused many grave social problems throughout the State.

"Large numbers of young transients have congregated in and around our small rural communities which are wholly unequipped to deal with such rapid and great increases in population. The public facilities and services of many communities have been taxed to the breaking point.

"Your Committee further finds that because of a great housing shortage throughout the State and Hawaii's warm climate, such young persons frequently live on the public beaches and in the public parks where sanitary facilities are wholly inadequate to meet their needs. As a result, grave problems of public health have arisen, as evidenced by recent outbreaks in these areas of hepatitis and other diseases caused by inadequate sanitation.

"Your Committee further finds that this influx has greatly increased the welfare costs of the State. The vast majority of these young transients lack the resources to support themselves and refuse to seek employment. Consequently, they depend upon public welfare almost exclusively. Many of them come to Hawaii with prior knowledge of the ease with which public assistance can be obtained in this State. If some means is not found to stem the ever increasing costs of welfare the State will simply not have the financial resources necessary to provide needed services to the public. Your Committee finds that the imposition of a residency requirement will decrease this influx."

Similarly, the Senate Committee on Ways and Means, to which this bill was thereafter referred, reporting in **Standing Committee Report No. 566**, said:

“Your Committee after review and evaluation of the State’s economic assistance program under which general assistance is provided finds that the imposition of such a requirement is necessary in order to decrease and reverse the influx of transient persons which has been increasing at an alarming rate. We find that this influx has greatly increased welfare costs in this State. The general assistance category to which this requirement will apply is fully funded from State revenues and does not receive any federal support.”

Your Committee has carefully considered these legislative findings in light of the decision of the Supreme Court of the United States in **Shapiro vs. Thompson**, 394 U.S. 618 (1969). In holding that the classification created by the requirement of a specified period of residency touched on the fundamental right to interstate movement and was a violation of the Equal Protection Clause of the Constitution of the United States, and noting that the right to travel from one State to another is a basic right under the Constitution, the Court stated:

“Thus, the purpose of deterring the immigration of indigents cannot serve as justification for the classification created by the one-year waiting period, since that purpose is constitutionally impermissible. If a law has ‘no other purpose . . . than to chill the assertion of constitutional rights by penalizing those who choose to exercise them, then it [is] patently unconstitutional.’ **United States vs. Jackson**, 390 U.S. 570, 581 (1968).” 394 U.S. 618, 631.

If the sole purpose of the waiting-period requirement is designed to serve no greater purpose than to deter in-migration to Hawaii, it would seem, then, to be clearly unconstitutional. And, even if the waiting-period requirement has purposes other than deterring in-migration, the question remains whether the classification created by that requirement denies equal protection of the laws. The traditional test used in determining whether a classification constitutes a denial of equal protection of the law is whether “the classification or discrimination is reasonable, rather than arbitrary, and rests on a ‘real and substantial difference or

distinction which bears a just and reasonable relation to the legislation or the subject or object thereof, and provided also the legislation operates equally, uniformly, and impartially on all persons or property within the same class.” 16A C.J.S., **Constitutional Law**, Sec. 505, pp. 315-319.

However, in **Shapiro**, the Supreme Court distinguished the traditional equal protection test from the test to be applied when the classification “penalizes” the fundamental right of interstate travel. In the latter case, the classification denies equal protection of the laws unless it promotes a “**compelling** state interest.” (Emphasis by the Court.) 394 U.S. 618, 638.

The Court stated:

“The waiting-period provision denies welfare benefits to otherwise eligible applicants solely because they have recently moved into the jurisdiction. But in moving from State to State or to the District of Columbia appellees were exercising a constitutional right, and any classification which serves to penalize the exercise of that right, unless shown to be necessary to promote a **compelling** governmental interest is unconstitutional.” (Emphasis by the Court.) 394 U.S. 618, 634.

Even though **Shapiro** dealt specifically with the issue of denial of welfare assistance, your Committee cannot conclude with certainty therefrom that the result may not be different under different circumstances. That case (and others decided with it) was concerned primarily with the impact of denial of benefits upon claimants for aid “upon which may depend the ability of the families to obtain the very means to subsist—food, shelter, and other necessities of life.” (394 U.S. 618, 627).

Your Committee looks upon the proposed residency requirement as a protective device not only to preserve the fiscal integrity of the State public assistance program, but as a source of relief upon the strain placed upon the State’s general revenues necessary to provide other essential public services also.

For the ensuing fiscal biennium, the current Legislature, by the General Appropriations Act, has been required to appropriate more than \$19,000,000 for general assistance. This money, which is appropriated out of general revenues, represents tax dollars paid

by Hawaii's gainfully employed residents. On the other hand, a recent intake study of general assistance applications conducted by the department of social services and housing demonstrated that less than 40% of Hawaii's welfare recipients were "residents" of the State. Another study of the department's active general assistance caseload is equally as discouraging.

It is the conviction of your Committee that residence requirements determining eligibility for general assistance "may promote compelling state interests on the one hand or, on the other, may not be penalties upon the exercise of the constitutional right of interstate travel." 394 U.S. 618, 638, n.21.

The Court in *Shapiro* does not define what constitutes a "compelling state interest". Even though, in our support of the residency requirements we are not endeavoring thereby to deprive the truly needy of shelter, food, and clothing necessary to sustain them through a temporary hardship during the waiting-period. However, we are firm in our resolve that there should be exempted from the welfare rolls of those individuals who are capable of earning a living wage but who scheme their way into the taxpayer generosity of our citizens.

It is essential that some means be found to decrease and reverse the rate of influx of transients who arrive in the State with insufficient funds with which to support themselves and who almost immediately, refusing to seek employment, turn to public assistance for support.

Your Committee finds that the only effective method by which this can be accomplished is for the State to exercise its right to spend its financial resources as it sees fit by limiting general assistance benefits to those residents who have been present in the State for a period of at least one year. The residency requirement imposed by this bill will apply only to the general assistance program which is funded wholly with State moneys.

Your Committee has further amended the bill to require all recipients of general assistance to actively and diligently seek and accept gainful employment. Further, the department of social services and housing has been given broad authority to insure that the recipients of general assistance are persons who, for reasons beyond their control, are unable to support themselves.

Your Committee is concerned that an increasing number of persons within the State have consciously decided neither to seek nor accept work. These are the so-called "voluntary poor". They characteristically reject any pattern of life which requires the individual to devote a requisite portion of his time toward his own material support. Despite laws to the contrary, such persons often turn to public assistance in order to sustain themselves. Collectively, they constitute a deplorable abuse of welfare programs and have contributed substantially to an alarming increase in welfare costs. Your Committee expresses neither approval nor disapproval of the values of such persons, but finds that the community should not be burdened with their support. Your Committee is cognizant of the difficulties in distinguishing between such persons and the truly needy. We have, therefore, given the department of social services and housing broad authority to take any and all steps which may be necessary to make this distinction and thus insure that welfare funds are used for their intended purpose.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 898, S. D. 2**, as amended herein and recommends that it pass second reading in the form attached hereto as **S. B. No. 898, S. D. 2, H. D. 1**, and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 889 Finance on S.B. No. 13

The purpose of this bill is to regulate the use and application of pesticides.

This bill, as amended, proposes to amend chapter 149, Hawaii Revised Statutes by:

(1) Changing "economic poison" to "pesticide" wherever it appears in the chapter.

(2) Creating an advisory committee on pesticides composed of State officials and representatives of the various elements of society which are interested in or affected by the pesticide law to advise and assist the Department of Agriculture in promulgating rules and regulations.

(3) Requiring pesticide dealers and wholesalers (but not retailers) to obtain annual licenses and to keep records of sales of certain pesticides.

(4) Regulating the use and application of pesticides by prohibiting certain acts and providing means and penalty for the enforcement of such prohibition.

Your Committee on Agriculture, to which this bill was initially referred, has recommended several substantive amendments thereto in its commendable reporting thereupon in **Stand. Com. Rep. No. 807**, at pages 4 and 5. The same, as amended, is incorporated herein by reference.

It is the intent of your Committee to include in the appropriation of \$80,000(5.0), a pesticide specialist for each of the counties and a clerk for the island of Oahu, in addition to supplies and equipment.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 13, S. D. 1, H. D. 1**, and recommends that it pass third reading.

Signed by all members of the Committee except Representatives Chong and Poepoe.

SCRep. 890 Finance on S.B. No. 115

The purpose of this bill is to eliminate the present graduated home exemption schedule, replacing the same with an \$8,000 flat-rate exemption as a means of improving the administration of the real property tax law.

The present home exemption schedule consists of twelve steps based on the value of the property. The increase in value between steps varies from \$100 to \$500 and results in only a very small reduction in the tax. Under this bill, if the value of the property is not in excess of \$8,000, it is totally exempt; if in excess of \$8,000, the exemption is in the amount of \$8,000.

Under the provisions of this bill, the loss in revenue to the counties will be negligible. However, the elimination of the real property home exemption schedule would simplify the administration of the real property tax program, and thereby the cost of administration would be substantially reduced. Furthermore, the elimination of the present schedule will also permit the computerization of the home exemption program which the Department hopes to do in the near future. Presently, department personnel must individually compute the exemption for parcels valued between \$5,100 and \$8,500.

There are approximately 7,500 homes in the State assessed at less than \$8,500. Of this number, 3,900 homes have a valuation of less than \$5,100 and are completely exempt under the present home exemption provisions. The balance (3,600 homes) will be affected by this proposal and will have their exemptions increased to \$8,000. It would appear at this time that the efforts of department personnel could be more advantageously utilized by directing their efforts in other real property programs such as upgrading the valuation of real property.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 115, S. D. 1**, and recommends that it pass third reading.

Signed by all members of the Committee.

SCRep. 891 Finance on S.B. No. 747

The purpose of this bill is to appropriate from general revenues of the State the sum of \$299,000, or so much thereof as may be necessary, "to initiate the **research and development phase** of expanding the present two year Medical School to a degree granting program." (Emphasis added).

Your Committee on Higher Education has extensively reported upon this bill in **Stand. Com. Rep. No. 779**, recommending its passage on second reading. The findings and conclusions therein contained are hereby incorporated herein by reference.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 747, S. D. 2**, and recommends that it pass third reading.

Signed by all members of the Committee.

SCRep. 892 Finance on S.B. No. 833

The purpose of this bill is to amend certain sections of chapter 359G, Hawaii Revised Statutes, (Act 105, Session Laws of Hawaii 1970), primarily to dovetail the state housing program with federally assisted housing programs and to avoid conflicts that would deter or retard the development of housing under Act 105. The bill also effects other changes for purposes of clarity.

More particularly **S. B. No. 833, S. D. 2, H. D. 1**, amends chapter 359G in the following respects:

SECTION 1. Presently, sub-section (b) of section 359G-4 provides that any rules or regulations promulgated thereunder by the Hawaii Housing Authority (Authority) shall be subject to approval of the legislative body of each county in which they will be effective.

It seems unnecessary that a county legislative body should have the veto power over all rules and regulations promulgated by the Authority under chapter 359G. Thus, **S. B. No. 833, S. D. 2, H. D. 1**, provides for the (1) promulgation of rules and regulations necessary to carry out the purpose of this chapter without the consent of the county legislative body, and (2) it also provides for the promulgation, only upon the direction of the governor, of such rules and regulations on health, safety, building, planning, zoning, and land use which relate to the development, subdivision, and construction of dwelling units in projects in which the state through the Authority shall participate, which rules and regulations would allow non-conforming projects, with the consent of the county legislative body. Thus, a county legislative body would have a review of only such rules as would allow non-conforming projects within that county.

SECTION 2. Section 2 of **S. B. No. 833, S. D. 2, H. D. 1**, amends section 259G-4(e) (5), Hawaii Revised Statutes, to expressly provide for the payment of any community information and advocacy services deemed necessary by the Authority to provide for citizen participation in the development of housing projects, the implementation of chapter 359G, and the staffing of any citizen advisory committee the Authority may establish.

This amendment simply makes express what appears to be implied under section 359G-4(e) (5), which generally authorizes "payment of any services contracted for under this Act." The amendment will allow a machinery for citizen reaction to a housing project early in the development stage.

SECTION 3. The law presently provides that prior approval of the Land Use Commission is required for the development by the Authority of conservation or agricultural land. Matter with respect to conservation land is more properly within the jurisdiction of the Board of Land and Natural Resources. The amendment merely reflects approval to issue from the proper agency so that prior approval for conservation land shall issue

from the Board of Land and Natural Resources and prior approval for agricultural land shall issue from the Land Use Commission. This is a housekeeping amendment.

SECTION 4. Section 4 of **S. B. No. 833, S. D. 2, H. D. 1**, amends section 259G-9 by adding a new sub-section which empowers the Hawaii Housing Authority to waive certain restrictions under certain conditions. Section 359G-9 now provides, under sub-section (a)(2), (a)(3) and (b) thereof, that the Authority shall have a right of buy-back within the first ten years of a dwelling unit sold by the Authority under Chapter 359G, and provides further for a recapture of subsidy made by the Authority if a purchaser conveys his dwelling unit after ten years after date of purchase. The proposed amendment allows the Authority to waive the restrictions under sub-sections (a)(2), (a)(3) and (b) if the state makes no subsidy in the form of unrecovered land costs or unrecovered development costs except such tax relief granted under section 359G-15, and except such cost, if any, (1) allocable to the staff of the Authority in the administration of a partnership, (2) for training of labor under section 359G-13, and (3) for the development of innovative techniques and research under Section 359G-14.

The restrictions under the sub-paragraphs (a)(2), (a)(3) and (b) of section 359G-9 as they now read are not acceptable by the Federal Housing Administration for purposes of insuring home mortgages. However, a buy-back provision for the first 10 years only would not be objectionable to the Federal Housing Authority in qualifying the dwelling units for home mortgages. Thus, **S. B. No. 833, S. D. 2, H. D. 1**, provides for a right of repurchase by the Authority within the first 10 years at a price not to exceed the greater of the amount of the original cost to the purchaser or the fair market value at the time of transfer to the Authority in the event the Authority exercises the waiver of restrictions under sub-paragraphs (a)(2), (a)(3) and (b) of section 359G-9.

SECTION 5. Section 5 of **S. B. No. 833, S. D. 2, H. D. 1**, adds a new section to chapter 359G which authorizes the Authority to provide interim construction loans to developers whose housing projects qualify for federally assisted project mortgage insurance, federally assisted home mortgage insurance, or other similar programs of federal assistance to persons of low and moderate income

housing. Chapter 359G does not presently allow the lending of interim loan funds for construction of homes. It allows only the providing of interim construction loans to a partnership consisting of a developer and the Hawaii Housing Authority for the purpose of constructing homes under said chapter 359G. The amendment in **S. B. No. 833, S. D. 2, H. D. 1**, will allow the Authority to have more financial leverage with its funds by concentrating on short term construction loans than to tie up the loan funds in long term, take-out loans on the individual dwelling units. The condition that these projects qualify for federally assisted mortgage insurance and other similar programs provides a built-in check on the feasibility of the project without supervision by the Hawaii Housing Authority.

SECTION 6. Section 6 merely clarifies the scope of section 359G-15 with respect to the exemption from general excise tax. The general language of section 359G-15 does not specifically mention that the gross proceeds received by contractors for the construction of housing under chapter 359G shall be exempt from general excise taxes, although it can be reasonably implied in view of the spirit and purpose of chapter 359G. **S. B. No. 833, S. D. 2, H. D. 1**, expressly allows the exemption to such gross proceeds received by contractors. The exemption shall apply to housing projects developed pursuant to section 359G-6 and section 359G-11.

SECTION 7. **S. B. No. 833, S. D. 2, H. D. 1**, clarifies section 359G-4(c) in the respect that the right of the authority to acquire "property" includes vacant land, or land with site improvements or finished dwelling units. There is need for the authority to be able to acquire finished dwelling units in order to effect relocation of displacees, especially those displaced by government action. Government projects, in housing or otherwise, can proceed in a more orderly fashion with minimum disruption to those affected by displacement. Moreover, cost savings can be effected by the Authority because of cash purchases and volume purchases. The Authority is expressly limited to purchase such dwelling at price not to exceed the limits established from time to time under the section 235 program Home Ownership for Lower Income Families, as administered by the Federal Housing Administration, U. S. Department of Housing and Urban Development.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 833, S. D. 2, H. D. 1**, and recommends its passage on third reading.

Signed by all members of the Committee except Representative Yap.

SCRep. 893 Legislative Management Informing the House that **House Resolution Nos. 376 to 389, House Concurrent Resolution Nos. 94 to 97, Standing Committee Report Nos. 853 to 892 and Standing Committee Report Nos. 894 to 904**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 894 (Majority) Judiciary on **S.B. No. 36**

The purpose of this bill, as amended herein is to add **H. B. No. 44, H. D. 1** to **S. B. No. 36, S. D. 2**, to provide a more adequate and consequential firearms and dangerous weapons control bill.

Your Committee concurs with the findings and conclusions of the Judiciary Committee of the Senate with regard to **S. B. No. 36, S. D. 2** as expressed in **Standing Committee Report No. 524**, and has expressed its intent with regard to **H. B. No. 44, H. D. 1** in its **Standing Committee Report No. 581**.

Your Committee on Judiciary is in accord with the intent and purpose of **S. B. No. 36, S. D. 2**, as amended herein, and recommends its passage on Second Reading in the form attached hereto as **S. B. No. 36, S. D. 2, H. D. 1**, and placed on the calendar for Third Reading.

Signed by all members of the Committee Representatives Duponte and Carroll did not concur.

SCRep. 895 Judiciary on **S.B. No. 277**

The purpose of this bill is to authorize the insurance commissioner to license qualified nonresident life insurance agent if similar privilege is extended to residents of this State by the laws of the nonresident's state.

Presently, the insurance commissioner is authorized to extend such privilege to nonresident agent or broker for all classes of insurance except life.

Your Committee on Judiciary is in accord with the intent and purpose of **S. B. No. 277** and recommends its passage on Second Reading and placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 896 Judiciary on S.B. No. 541

The purpose of this bill is to permit the sale of automobile, property and casualty insurance on a group and mass merchandising basis and thus pave the way to savings in insurance premiums.

At the present time, there seems to be a prohibition in the Hawaii Insurance Laws to an authorization of group and mass merchandising or mass marketing approach to the sale of automobile, property and casualty insurance.

This bill adds a new section designated as Section 431-365.5 of the Hawaii Revised Statutes to exclude the payroll deduction of premiums from definition of "solicitation" of insurance. It further amends the Section to exclude the furnishing of information about insurance to the insureds or to a member of a group by an organization sponsoring a mass merchandising or a group plan of insurance.

Representatives of various labor and consumer groups, who testified on behalf of this measure, pointed out that the enactment of this bill will enable them to sponsor insurance programs which will result in considerable savings in premiums to their members. They pointed out they cannot do so under the present law. These groups contend that an enactment of this bill will be of great benefit to consumers of Hawaii and bring about a relief in the constant upward pressure of insurance cost.

While your Committee finds that this bill is a pro-consumer measure and will benefit many insurance buyers in Hawaii, it believes that specific provisions under which mass merchandising of property and casualty insurance policies can be sold should be incorporated into the bill. The consolidated provisions are designated as a new part to Chapter 431. Additional provisions recommended are: Definition of mass merchandising; prohibits discriminatory premium rates, permits lowering of premiums based on reduction in expenses, prohibits compulsory participation, requires disclosure to prospec-

ive insureds of all features of the plan, provides for maintaining statistics and prohibits the use of more restrictive and discriminatory underwriting rules by an insurer, and requires the insurer to maintain a claims processing office in the State.

Your Committee on Judiciary is in accord with the intent and purpose of **S. B. No. 541**, as amended herein, and recommends its passage on second reading in the form attached hereto as **S. B. No. 541, H. D. 1**, and that it be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 897 Judiciary on S.B. No. 769

The purpose of this bill is to simplify the handling of medical records in compliance with a subpoena duces tecum while still providing adequate safeguards from public disclosure of confidential information.

Under present law, whenever medical records are subpoenaed, it is necessary for the medical records librarian to bring the records to court in person and to testify to the authenticity of the medical records which are subpoenaed.

This bill provides for the following:

1. Allows for medical facilities in compliance with a subpoena duces tecum to deliver medical records by registered mail or by messenger and minimizes the need for personal appearances except on rare occasions.
2. Allows for medical facilities to forward photocopies of original medical records with proper notarization. This procedure will not only eliminate the loss of irreplaceable medical information which is vital toward the continuing care of patients, but it will also assure patients involved in litigations that their medical records of previous admissions or visits will be readily available for physicians to refer to should they become ill and require medical care while litigations are in process.
3. Stipulates that records introduced into evidence shall be promptly withdrawn and returned as soon as their use is no longer needed.
4. Places the burden of cost for the preparation of records upon those requesting such records.

Your Committee has amended this bill to eliminate any mention of depositions for the reason that they present no problem in view of other existing legal procedures. It has also amended the bill to insure the right of opposing counsel to subpoena original records and compel attendance of custodians if required by the circumstances of the individual case, and to provide specifically for rebuttal of the presumption of correctness established by this bill.

Your Committee is in accord with the intent and purpose of **S. B. No. 769**, as amended herein, and recommends its passage on Second Reading in the form attached hereto as **S. B. 769, H. D. 1**, and placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 898 Judiciary on **S.B. No. 1096**

The purpose of this bill is to prevent the Family Court from imposing restrictions upon the Honolulu Police Department relating to the fingerprinting and photographing of juveniles arrested under the Family Court Act for offenses which would be criminal offenses if committed by an adult.

It is the feeling of your Committee that the rights of such juveniles are adequately protected by the Family Court Act and that, consequently, no legitimate purpose will be served by impeding the ability of our police to utilize modern and scientific techniques for identification and investigative purposes.

Your Committee on Judiciary is in accord with the intent and purpose of **S. B. No. 1096** and recommends its passage on Second Reading and placed on the Calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 899 Judiciary on **S.B. No. 801**

The purpose of this bill is to enable a judge or an elective officer, who is eligible for maximum retirement benefits but below mandatory retirement age, to choose to continue in service with the assurance that such an election will not result in any diminution of retirement benefits.

Under existing law, if such a person would die while in service, there would be a loss in survivors benefits payable to his dependents.

This bill enables such a person to continue in service and, at the same time, to terminate his membership in the Employee's Retirement System of the State of Hawaii as if he had actually retired, with the proviso that he will receive no retirement allowance until he actually leaves active service. The bill has been amended to prevent a judge from continuing in office indefinitely under this provision, but is not intended to apply to judges over the age of 65 presently in office.

Your Committee on Judiciary is in accord with the intent and purpose of **S. B. No. 801, S. D. 2**, as amended herein, and recommends its passage on Second reading in the form attached hereto as **S. B. No. 801, S. D. 2, H. D. 1**, and its referral to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 900 Lands on **H.R. No. 367**

The purpose of this resolution is to request the cooperation of the Department of Education and the Department of Land and Natural Resources in effecting the relocation of either the sidewalk or the kamani trees adjacent to Kailua Elementary School.

Your Committee is aware of the beautification efforts of various community groups in this area. Because of its appreciation of these efforts, your Committee believes that maximum cooperation is justified.

Your Committee on Lands concurs with the intent and purpose of **H. R. No. 367** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 901 Lands on **H.R. No. 371**

The purpose of this resolution is to request the Department of Land and Natural Resources to establish and implement a stocking program for opihi and Samoan crab, and to promulgate rules and regulations governing the taking of these forms of marine life.

Your Committee is aware of the depletion of opihi and Samoan crab, once a significant food source for the people of this state. Your Committee believes that a program of restocking and reestablishment of these types of sea life will result in a significant regenera-

tion of these species, especially if adequate rules and regulations are promulgated which protect these species against future depletion.

Your Committee on Lands concurs with the intent and purpose of **H. R. No. 371** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 902 Education on H.R. No. 329

The purpose of this Resolution is to request the Hawaii High School Athletic Association to consider continuation of having the city of Hilo, Hawaii to host the state high school basketball tournament on a three year rotational basis despite the recommendation of the Hawaii Interscholastic Athletic Directors Association to hold the annual state class AA basketball tournament in Honolulu on a permanent basis.

The Hawaii High School Athletic Association is now considering the request of the Hawaii Interscholastic Athletic Directors Association to hold the annual state class AA basketball tournament in Honolulu on a permanent basis. Approval of the recommendation would deprive Hilo of hosting a major high school tournament in a sport to which its name is synonymous, basketball. Though the Association to which this Resolution is addressed is a private agency and is in no way obligated to follow the mandate, your Committee believes that they should know the feelings of the members of the House of Representatives in their action that involves community pride and recreational activity.

Your Committee concurs with the intent and purpose of **H.R. No. 329** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 903 Agriculture on H.R. No. 359

The purpose of this resolution is to create an interim committee of the House of Representatives to study the feasibility of establishing state operated non-profit grain feed warehouses.

Your Committee finds that the users of grain feed are dependent upon relatively few wholesalers and that during periods of shortages the fluctuating prices of grain feeds are economically injurious to those whose farm operations are dependent upon grain feed.

The cause of fluctuation of prices can be traced to the fact that wholesalers cannot economically warehouse large supplies of grain feed to cover periods of shortages.

Your Committee is in accord with the intent and purposes of **H. R. No. 359** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 904 Labor on H.R. No. 28

The purpose of this resolution is to request the House Labor Committee to conduct a study on the effectiveness of the state Manpower Development and Training Program. The evaluation report would include a determination of the success of the program's graduates in the job market and analyses of their work experiences. The committee is further requested to evaluate the program's effectiveness in filling long vacant jobs and chronic shortage occupations such as that of sewing machine operators.

Your Committee agrees that the effectiveness of important programs like the Manpower Development and Training Program should be periodically assessed so necessary improvements may be considered by the legislature. Your Committee, however, is of the opinion that such an evaluation of the program should be made in cooperation with the Commission on Manpower and Full Employment and the department of labor and industrial relations. These agencies should be able to furnish the House Labor Committee with the information and experience necessary to conduct a thorough evaluation of the program. Your Committee has therefore amended the resolution by requesting the House Labor Committee to conduct the evaluation in cooperation with the two agencies above.

Your Committee on Labor concurs with the purpose of **H. R. No. 28**, as amended herein, and recommends its adoption in the form attached hereto as **H. R. No. 28, H. D. 1**.

Signed by all members of the Committee.

SCRep. 905 Higher Education on H.C.R. No. 21

The purpose of this resolution is to request the University of Hawaii to study the feasibility of establishing a school of diplomatic ser-

vices. The need for training persons skilled and sensitive to deal with people of Asian and other Pacific countries will increase as our involvement with these nations deepens. Hawaii has people with unique talents by virtue of their national origin stemming from these countries and whose life patterns in many ways are closer to the cultural and ideological philosophies of Asian and Pacific countries. Hawaii's strategic geographic location and cultural composition provide logical reasons for its people to play a greater role in international affairs of the Asian and Pacific areas.

Your Committee learned that the training for persons desirous of making diplomatic service their career should have a broad background of public administration with specialization in international affairs. The term "diplomacy" seems too restrictive in developing the kind of program needed. For this reason, your Committee recommends that the words "public affairs" be substituted for the words "diplomatic services" in the title, the third and the fifth WHEREAS clauses. This amendment broadens the scope of the program to accommodate the kind of training necessary for persons desirous of careers in international affairs.

Your Committee on Higher Education is in accord with the intent and purpose of H. C. R. No. 21, , as amended herein, and recommends its referral to the Committee on Finance in the form attached hereto as H. C. R. No. 21, H. D. 1.

Signed by all members of the Committee.

SCRep. 906 Agriculture on H.C.R. No. 94

The purpose of this concurrent resolution is to create an interim committee of the Senate and House to study the feasibility of establishing state operated non-profit grain feed warehouses.

Your Committee finds that the users of grain feed are dependent upon relatively few wholesalers and that during periods of shortages the fluctuating prices of grain feeds are economically injurious to those whose farm operations are dependent upon grain feed. The cause of fluctuation of prices can be traced to the fact that wholesalers cannot economically warehouse large supplies of grain feed to cover periods of shortages.

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 except Representative Unemori.

SCRep. 907 Education on H.R. No. 274

The purpose of this resolution is to request the State Highway Safety Coordinator to prepare annual evaluation reports on driver education and training programs.

In testimony before your Committee, the State Highway Safety Coordinator reported that evaluation of the driver education program is planned to be a regular component of the total highway safety program, with submissions of these reports to start in 1972. The evaluation for driver education for the federal program can be modified and/or expanded to be within what will be required by the intent of this resolution.

Your Committee upon consideration of this resolution recommends the following amendments:

1. In the third WHEREAS clause, the phrase "community college programs for young adults" be deleted.

2. In the BE IT RESOLVED clause, a sub-element be added which shall read: "(6) Comparison of the number of students to whom driver education is made available, with the number of students in this school grade group, together with the budget and schedule for compliance with the federal standard."

3. In the first BE IT FURTHER RESOLVED clause, the phrase "the University of Hawaii Community Colleges System" be deleted.

4. In the second BE IT FURTHER RESOLVED clause, the phrase "the President and Board of Regents of the University of Hawaii" be deleted.

Your Committee concurs with the intent and purpose of H. R. No. 274, as amended herein, and recommends its adoption in the form attached hereto as H. R. No. 274, H. D. 1.

Signed by all members of the Committee.

SCRep. 908 Education on H.R. No. 325

The purpose of the Resolution is to request the Speaker of the House of Representatives to establish a legislative interim committee to consider and review reports and studies, to investigate the needs of special education, and to determine priorities, direction, and steps for legislative action during the 1972 session and that the interim committee report its findings to the Legislature twenty days prior to the beginning of the Regular Session of 1972.

There has been several reports and studies on special education including (1) Volume III Analytic document, Special Education, January, 1970; (2) PPBS Annex to the 1970 Analytic Document for Special Education, Revised January 5, 1971; (3) Joint report by the Departments of Education, Health, and Social Services, "Providing Comprehensive Services to the Mentally Retarded, December, 1970" and an addendum dated March 12, 1971. The Department of Education is currently drafting a Master Plan for Special Education. The interim committee would review these reports and studies and determine priorities, direction and steps for legislative action.

The special education program in the Department of Education is limited to the Hawaii School for the Deaf and the Blind, and the Pohukaina School for the orthopedically handicapped and secondary age mentally retarded trainable. A new orthopedic unit is planned for at Jefferson School. There are a few special education classes in regular elementary and intermediate schools, however because of the lack of space and staff, many students are not serviced by the department. Some of the students are in private agencies which receive subsidies from the state. But many are at home not receiving special attention.

Your Committee feels that the special education program is to the point where it may be considered a crisis situation. The students should be provided with their basic rights for fundamental educational experiences. A step in this direction was providing the Department with 21 special education teacher positions in the operating budget for the biennium. Another would be an intensive investigation by the interim committee, proposed by this Resolution, to come up with priorities and direction.

In the meantime, a problem with the state subsidies to the private mental retardation associations need to be examined critically. When the private agencies receive state subsidy, they must sign a contract limiting services to those from ages 4 to 20. This provision is within the Department's legal requirement for providing educational experiences. However, your Committee is of the opinion that in special education, chronological ages should not be a criteria of whether service should be provided or not. Special education involves persons whose mental ages do not, for the most part, correspond with their chronological ages. If these persons are compared with those who are in the regular education program of the department, they usually perform at a level lower than their age group, which would also mean that their mental age is at a lower level than their chronological peers. Therefore, for the period between now and the time when the interim committee reports its findings, or earlier, if a comprehensive meaning of the ages of those in special education can be determined, your Committee requests that the Department of Education not enforce the provision limiting the services to mentally retarded persons ages 4 to 20 in the contract for state subsidy to the private mental retardation associations.

Your Committee concurs with the intent and purpose of **H.R. No. 325** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 909 Transportation on S.C.R. No. 20

The purpose of the resolution is to request the Department of Transportation to abandon its plan and proposal to use the Ala Wai harbor as a site for the self-propelled water transportation system between the Honolulu International Airport and Waikiki.

In 1970, the State House of Representatives adopted **House Resolution No. 389** supporting the concept of a self-propelled water transportation system between the Honolulu International Airport and Waikiki and urging the Department of Land and Natural Resources and the Department of Transportation to have sites available at Keehi Lagoon and within Waikiki for the system.

Magic Island was ruled out as a site by the House. The site at the Natatorium was not selected because the land there was not available to the Department of Transportation. A site within the Ala Wai harbor was finally selected because the land there was available to the Department of Transportation and it appeared to be the least objectionable.

The selection of the site within the Ala Wai harbor appears to be ill-advised. The harbor has been developed and used for recreational boating and the location of the site therein would cause traffic congestion and make boating in the harbor unsafe for the public.

Your Committee feels that the Department of Transportation should look into the matter of locating the site elsewhere, such as the beach area in front of Ft. DeRussy or Kewalo Basin.

Your Committee on Transportation concurs with the intent and purpose of **S. C. R. No. 20** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 910 Housing and Consumer Protection on **H.R. No. 386**

The purpose of this Resolution is to look deeper into the question of whether licensing of accountants who are not Certified Public Accountants would be a desirable change in the Hawaii Public Accountancy Law.

Presently, there are two classes of accountants who have their status recognized by statute. The first are the CPAs; the other are the so-called Public Accountants. The Public Accountancy Law—Chapter 466, Hawaii Revised Statutes—passed in 1955 created these two classes of accountants; the latter group, the non-CPAs practicing at that time, were accommodated by a grandfather clause. However, any non-CPA practicing accountancy after the law was passed has essentially been doing so extra-legally inasmuch as he is not eligible for examination and concomitantly, registration.

Your Committee on Housing and Consumer Protection is in accord with the intent and purpose of **H. R. 386** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 911 Education on **S.B. No. 745**

The purpose of this bill is to require the Board of Education to follow the procedures of the Hawaii Administrative Procedure Act, Chapter 91, Hawaii Revised Statutes when adopting rules and regulations for the Department of Education.

Your Committee upon consideration of this Bill recommends the following amendments:

1. Section 1 be amended to read: "Section 296-12, Hawaii Revised Statutes, is amended to read as follows: 'Section 296-12 **Rules, Regulations**. Subject to chapter 91, the board of education [may] **shall** adopt rules and regulations not contrary to law, for the government of all teachers, educational officers, other **classified and non-classified** personnel, and pupils, and for carrying out the general scheme of education and for the transaction of its business'."

Your Committee is in accord with the intent and purpose of **S. B. No. 745, S. D. 2**, as amended herein, and recommends its passage on Second Reading in the form attached hereto as **S. B. No. 745, S. D. 2, H. D. 1** and placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Kato, Lunasco, Leopold, R. Garcia, Inaba, Kawakami, Kondo and Carroll.

SCRep. 912 (Majority) Public Employment on **S.B. No. 1173**

The purpose of this bill is to reduce the membership of the Hawaii Public Employment Relations Board from five members to three members by amending Sec. -5 of Act 171, Session Laws of Hawaii 1970. As amended one member shall represent management, one member shall represent labor and the third member who shall also be the chairman shall represent the public. Your Committee believes that a three-member board will be able to function efficiently without loss of expertise.

Your Committee on Public Employment is in accord with the intent and purpose of **S. B. No. 1173, S. D. 1**, and recommends its passage on second reading and its referral to your Committee on Finance.

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

SCRep. 913 Higher Education on H.R. No. 19

Your Committee has held public hearings on the alternatives to cope with the increase of the full-time student enrollment at the University of Hawaii. Your Committee heard extensive testimonies of witnesses from the University of Hawaii (administration, faculty, and students) as well as from various Community Associations and groups of the Leeward-Central Oahu area. Persons representing themselves as private citizens as well as a conservation group and a labor union also testified. Public sentiment that was verbally expressed at the first hearing held at the Capitol firmly opposed the building of a second four-year campus in the Leeward-Central Oahu area as a viable alternative. However, at the second hearing held in the Leeward-Central Oahu area (Waipahu High School), public sentiment that was voiced strongly urged the immediate construction of a second four-year campus in the Leeward-Central Oahu area.

Your Committee has also held Executive Sessions to follow up on the public hearings to decide on legislative action. The First Session dealt with the financial aspect of the issue where the University administration and the Board of Regents presented Operating and CIP costs for the proposed Second Campus. The Second Session with only the Committee members present, dealt with the need for such a campus and the appropriate legislative action.

Your Committee has attempted to analyze the alternative methods for accommodating the increased numbers of students, commensurate with providing quality options in higher education to all qualified Hawaii residents. During the course of its hearings on this subject, a variety of alternatives were presented to the Committee (see Appendix A), however, many of these alternatives were largely conceptual, and lacked substantive plans for implementation. Several relied on technology which is not readily available, such as recorded courses for remote study, however, it is the judgment of your Committee that under present conditions, these would not fulfill the needs of a student pursuing a baccalaureate education. Your Committee does not consider the superimposition of additional students on the System, in ex-

cess of the determined maximum for a particular campus, as this would dilute the quality of the educational opportunities. Your Committee has likewise determined that it should recommend a continuation of the prevailing policies of providing viable educational options to all qualified residents. Your Committee has ruled out an increase in faculty productivity, better utilization of existing facilities and other similar alternatives as solutions individually or collectively to the numbers crisis *per se*. However, your Committee does consider these to be partial solutions, along the order of magnitude of controlled growth and selected excellence; and your Committee strongly urges that the University pursue these policies as a means toward more effective utilization of all educational resources.

Pursuant to these major policy decisions, your Committee has concentrated its efforts on the creation of a new baccalaureate campus on Oahu, as the only viable solution to the pressing numbers problem. The specific findings of your Committee are as follows:

I. OVERVIEW

The University of Hawaii System has grown at an enormous rate in the past decade, including the creation of the Community College System, the addition of a complete baccalaureate program at Hilo College, and a quadrupling of the full-time student population from 7,771 in 1960 to 33,127 in 1970. According to enrollment projections for the system, which traditionally fall on the conservative side of reality, frequently by as much as 7%, the student population in the University of Hawaii System will nearly double within the next 15 years.

These students already exist: They are in our junior high schools and elementary schools at this very time, and we must make preparations now to provide them with a variety of quality opportunities in post-secondary education. At the very least, this will require the expansion of the Community College System to include new campuses as well as new programs, and the creation of balanced comprehensive programs in vocational and college transfer courses at all community colleges.

Paradoxically, the solution of the numbers problem at the Community College level could have serious implications for the baccalaureate education in the State. For while

we will have college transfer programs turning out lower division undergraduates at an increasing rate, our capacity for upper division undergraduates has remained essentially constant by plateauing Manoa and Hilo College at 23,000 and 2,500 students respectively. Thus we will have a "gap group" of students who have half an education, who will be unable to proceed to a baccalaureate degree in Hawaii. Conservative estimates number this group at 3,500 students in 1976, 7,500 by the end of the decade, and 10,000 students in the early 1980's.

The University has already begun to try to cope with the numbers problems conceptually by the adoption of the Regents' policy on controlled growth. The purpose of the controlled growth policy is to effectuate the orderly growth and development of the entire University System, and to insure a variety of quality educational opportunities for all qualified Hawaii students. It is envisioned as a stop-gap measure until the University facilities can catch up with the numbers problem. Translated into actual practice, this means setting enrollment targets and optimum enrollment limitations on the various campuses in the system, and achieving a rational method of dispersing students within the system so as to preserve maximum options for all. Suggested ideal enrollment ceilings are as follows:

Manoa Campus	23,000
Hilo College	2,500
Community Colleges	5,000 (each)

If we are indeed to preserve our valuable philosophy of open opportunities in higher education for Hawaii's residents, then we must extend our commitment to provide quality, and not merely quantity education. The cut-off points for enrollment that the Regents have set under controlled growth as absolute enrollment figures for the various institutions represent the points after which further superimposition of students on the facility will result in diluting the quality of the education.

Knowing this, and knowing that the numbers problem is if anything understated, we must begin immediately to plan for more baccalaureate educational facilities. The need for increased baccalaureate capacity was identified as early as 1964, but to date no action has been taken other than the expansion of Hilo College. (See Appendix B for a history of official action on this issue.) Your Com-

mittee is aware of the amount of lead time that is required for the establishment of a quality institution of learning and is hopeful that action in this direction will be initiated immediately. A sad example of the exact situation that Hawaii could face can be seen today in California, where Junior Colleges are turning out students who now have nowhere to go in the California System to complete their baccalaureate degrees.

The implications of the anticipated enrollment surpluses on the various components of the University of Hawaii System are several:

1. The plateauing of enrollment at Manoa at 23,000 students will require the diverting of lower division students into the college transfer programs in the Community Colleges, thereby placing even heavier demands on already strained programs and facilities.

2. Manoa will be increasingly an upper level undergraduate and graduate institution, as lower level students are dispersed throughout the system and as graduate programs increase in size, the capacity for undergraduate students will decrease correspondingly. It must be noted therefore, that Manoa and Hilo College will not be able to accommodate all of the large numbers of college transfer program graduates. In order that we avoid a serious crisis at the upper division undergraduate level, provision must be made elsewhere in the system to accommodate these students. This will require the addition of new facilities, in the area of maximum demand, on Oahu.

The need for the development of additional comprehensive baccalaureate facilities for the University of Hawaii System is not, as far as your Committee has ascertained, a matter for conjecture. The rationale for constructing such a facility as primarily a commuter campus located in the immediate vicinity of the population center which it serves is well justified. Under normal circumstances, the procedure would then be to develop a philosophy for the general parameters of the new facility, consistent with the goals for the entire system, and to find a site for the new facility which satisfies the basic criteria for the campus.

Unfortunately, however, the issue of the creation of a new baccalaureate campus has become so obfuscated that the central question of where the facility should be located, has been side-tracked to whether a new

facility is necessary. The reasons for this confusion are several, most of which center on the lack of concise goals and direction for the entire University System, the lack of general guidelines for the proposed new campus, and the apparent vacillation by the University as to the exact size and nature of the proposed new campus. Clearly, these issues require definitive action by the Board of Regents and the University of Hawaii administration and that need is not obviated by any Legislative actions or recommendations via a vis the site selection procedure for the proposed campus.

In addition to finding that there is a need for a new baccalaureate campus, which should be located on Oahu and near the population center which it serves, your Committee has made several observations on the procedure for campus development which it feels must be emphasized. It is the hope of your Committee to provide guidelines for the Board of Regents to follow in pursuing their planning efforts for the new campus. The findings of your Committee in this regard are as follows:

1. The first order of priority for the Board of Regents in the development of the new campus is the determination of general educational objectives for the campus, as well as general philosophy parameters, such as whether the campus will be primarily residential or commuter, or whether the focus will be primarily undergraduate; in short the determination of the character of the campus. These decisions must be made in the context of the entire University System, in order to avoid costly duplication where possible, and provide the widest variety of educational opportunities to the maximum number of people.

2. Many numbers have been thrown around as to the total number of students who are to be accommodated by the new facility. In this respect, the University has had the particular appearance of vacillating, and has seemed to espouse progressively smaller numbers, ranging from an original number of 25,000 students as proposed in the Heald Hobson Report, to the most recent figure of 7,000 to 8,000 students. It is the belief of your Committee that, rather than determining the ultimate size for the student body at this time, that the campus be planned in such a manner as to accommodate at least the 7,000 to 8,000 students who comprise the

projected demand group, with the final determination as to the size of the campus to be made at a later date.

3. Your Committee believes that once the character of the new campus and the general academic plan have been determined, the next step is for the Board of Regents to select a site for the location of the new facility. In this regard, your Committee strongly recommends that the Board of Regents reconsider its decision to adopt "in principle" the Bishop Estate site at Waiawa as the Second Campus site, since that decision is seriously challenged by the following findings:

- (a) The Heald, Hobson and Associates Report, which has been heavily emphasized, recognized only the physical site planning and selection as the highest priority in dealing with the second campus. Your Committee would point out that this study was hastily prepared, taking only six weeks, rather than the recommended six months, and it considers the issue of a second campus in isolation from the rest of the System, which is inconsistent with comprehensive statewide planning for higher education.

- (b) The Board of Regents Committee on Physical Facilities and Planning did a report which studied 15 sites located in the Leeward-Central Oahu area. They also relied upon a University of Hawaii Land Study Bureau report which considered 6 sites, also located in the Leeward-Central Oahu area. The limitation of the sites considered and the priority of site selection over academic goals and total system-wide planning evidenced here and also in the Heald, Hobson Report lends itself to a serious questioning of priorities. Also, the fact that the recommendations of the University Task Force on the Second Campus, which set forth the general proposed academic plans for the campus, were not considered when the Board of Regents made its recommendations on the second campus site, gives more credence to a re-examination of the preliminary recommendation arrived at by the Regents.

4. A major factor in the consideration of alternative sites for the location of the new campus facility should be the needs and desires of the residents of the communities which would be affected. In this regard, your Committee notes that while there is considerable resistance to a Leeward campus from certain groups which oppose the removal of prime agricultural lands for the purpose of

establishing a second campus community, residents of the Leeward Community spoke strongly in favor of a Leeward campus. Inasmuch as these are the people who will be the most affected by the creation of a new campus, your Committee strongly urges that the community be involved in the determination of the character of the campus, as well as the site selection process.

5. Your Committee is aware that the major sites in contention for the new campus in Leeward Oahu are prime agricultural lands. In the interest of preserving agricultural lands, your Committee believes that efforts should be made to coordinate the site selection effort with the State Department of Planning and Economic Development, and the State Land Use Commission. Particular emphasis should be placed on proper land planning to insure the most effective utilization of lands on Oahu.

6. Your Committee is concerned with certain adverse reaction which has accompanied the offers of free land for the second campus by the Bishop Estate and the Campbell Estate. While your Committee recognizes that there will be a considerable gain for the owner of lands adjacent to the new campus site, there will also be substantial gains to the State and the people of Hawaii. Granted that the new campus will accelerate the growth in its immediate area, however, with proper planning, this growth can include not only housing for several income levels, but amenities and open space, recreation areas and other related uses.

7. The estimate of costs for the proposed second campus have fluctuated according to the desired size of the campus. Operating on the assumption that it is necessary at this time to plan for a facility which will accommodate 3,500 students by 1976, and then can be expanded incrementally to accommodate the desired number of students. The projected CIP cost for a 3,500 student campus by 1976 is \$42 million in Current Dollars, according to the latest University estimates.

II. CONCLUSIONS.

Your Committee concludes that the creation of a new baccalaureate campus on Oahu for the University of Hawaii System is the only viable alternative for coping adequately with the anticipated increase in student enrollment. Your Committee would like to stress that the issue **TODAY** is not

whether the second campus should be located on Oahu or on another island; nor is the issue whether the ultimate size of this new campus should be 10,000 or 15,000 students. The need **TODAY** is to take care of Oahu students who will be seeking higher education on Oahu in the mid 1970's.

The justification for this position is ample.¹ At the present time, 82% of the State's population lives on Oahu, and demographic trends indicate that the Leeward-Central area are by far the fastest growing part of the island. (See Appendix C) Department of Education projections indicate that by 1976 the Leeward-Central area will have more high school students than Honolulu. (See Appendix D)

Clearly the demand for increased baccalaureate capacity for the University of Hawaii System will lie in the Leeward-Central area of Oahu. Thus, we have no other reasonable alternative today than to build a second campus on Oahu, as close as possible to the populous who will be utilizing the facilities. We will, however, in the mid 1970's have the alternative of either expanding the second campus or building additional campuses on another Island. This question should properly be considered in the mid-1970's to take care of the minimum needs of higher education in the State in the early 1980's.

The urgency of making a firm decision to plan for the expeditious establishment of a second four-year campus is of great concern to your Committee, and to the parents who have aspirations of sending their children now attending elementary, intermediate, and high schools, to some form of higher education.

III. RECOMMENDATIONS.

Pursuant to the findings and conclusions expressed herein, your Committee makes the following recommendations:

1. That the University of Hawaii shall put the highest priority on developing and implementing plans for a second four-year campus on Oahu within the framework of a comprehensive system of higher education, involving

¹The latest statistical information on the second campus issue is contained in the report, **The Need for Additional Capacity in Public Higher Education in Hawaii**, produced by the University of Hawaii, March, 1971

community groups and other governmental agencies in the formulation of these plans;

2. That said planning shall take place within the framework established by Act 185, Sessions Laws of Hawaii 1970, the Executive Budget Act, including the following categories: (1) research and development costs; (2) capital investment costs; (3) non-capital investment costs; and (4) operating costs;

3. That the University shall submit a progress report to the Legislature no later than twenty days prior to the convening of the 1972 Regular Session of the Legislature.

Signed by all members of the Committee except Representative R. Garcia.

SCRep. 914 Finance on S.B. No. 276

The purposes of this bill are: (1) to transfer the authority of the chiefs of police with respect to approval of certain vehicle safety equipment to the state highway safety coordinator, (2) to expand the authority to include other vehicle equipment, (3) to enable Hawaii to join the Vehicle Equipment Safety Compact, and (4) to provide an appropriation for the implementation and enforcement of this program.

The provisions hereof relating to safety equipment and cognizance of the highway safety coordinator thereover, are intended to protect the consumer from that which is untested or potentially hazardous, requiring such equipment to be examined and approved prior to sale in the State, the manufacturers thereof being required to pay for testing costs.

These measures are adjunctive to the provision hereof enabling Hawaii to join the Vehicle Equipment Safety Compact, which presently comprises 44 other jurisdictions consisting of a commissioner from each member state, the purpose of which is to promote and secure uniformity of law and practice in the regulation of vehicle equipment and to encourage and utilize research in vehicle equipment in the interest of highway safety.

By this bill, the governor is authorized to create one new permanent position in the office of the highway safety coordinator to implement the purposes hereof. There is an appropriation from the highway special fund in the sum of \$40,000 for the fiscal biennium,

which includes funds to be used in payment of the dues of membership in the commission and personal services, supplies, equipment and other costs to be expended by the office of the highway safety coordinator.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 276, S. D. 1**, and recommends that it pass third reading.

Signed by all members of the Committee.

SCRep. 915 Finance on S.B. No. 801

The purpose of this bill is to enable an elective officer or judge, who is eligible for maximum retirement benefits but below mandatory retirement age, to choose to continue in service with the assurance that such an election will not result in any diminution of retirement benefits.

Under existing law, if such a person dies during such extended service, there would be a loss in survivors benefits payable to his dependents. This bill enables such a person to continue in service and, at the same time, to terminate his membership in the State employee's retirement system as if he had actually retired, with the proviso that he will receive no retirement allowance until he actually leaves active service.

This bill was amended in the Senate so as to include those members who may already have attained their maximum retirement allowance level or those who might qualify "shortly thereafter". Your Committee on Judiciary, from which this bill was referred, further amended it to prevent a judge from continuing in office indefinitely under this provision, but which it said was "not intended to apply to judges over the age of sixty-five presently in office".

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 801, S. D. 2, H. D. 1**, and recommends that it pass third reading.

Signed by all members of the Committee.

SCRep. 916 Finance on S.B. No. 1160

The purpose of this bill, as amended heretofore, is to provide that authority to contract for legal services to indigent crimi-

nal defendants shall be a function of the department of budget and finance rather than the State supreme court.

As introduced, this bill would have created a "new law" regarding counsel for indigent criminal defendants, placing the office of the public defender thereby created within the office of the governor. Under present law (Act 223, Session Laws of Hawaii 1969) the supreme court is authorized to contract for services to indigent persons accused of offenses punishable by imprisonment for more than sixty days, and related cases.

Upon consideration hereof, your Committee on Judiciary, from which this bill was referred, "scrapped" the proposed new law and substituted therefor existing section 611-3 (section 3 of Act 223) amended as aforesaid, in order to "eliminate any aura of conflict in a situation where those persons defending indigents are appearing in the Supreme Court of the State." **Stand. Com. Rep. No. 877.**

It is apparent, therefore, that although this bill involves the matter of fiscal responsibility for the public defender program, which is a proper question for consideration by your Committee on Finance pursuant to **House Rule 53**, the bill also involves far more complex legal questions relating to that program, the consideration of which we have had neither the time or occasion to undertake, and which more properly belong before your Committee on Judiciary. Our recommendation hereupon, therefore, relates only to the proposed funding process for this vital service, and should not be construed as representative of any view respecting the public defender program otherwise, either as it presently exists or as it is proposed to exist under this bill as introduced. Upon that understanding, your Committee is satisfied that the department of budget and finance is the proper expending agency for this program.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 1160, S. D. 1, H. D. 1**, and recommends that it pass third reading.

Signed by all members of the Committee.

SCRep. 917 Finance on S.B. No. 1173

The purpose of this bill is to reduce the membership of the Hawaii Public Employment Relations Board from five members to

three members by amending Sec. 5 of Act 171, Session Laws of Hawaii 1970 (section 89-5 (a), Hawaii Revised Statutes).

As hereby amended, one member shall represent management, one member shall represent labor, and the third member, who shall also be the chairman, shall represent the public. Your Committee believes that a three-member board will be able to function efficiently, without loss of expertise.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 1173, S. D. 1**, and recommends that it pass third reading.

Signed by all members of the Committee.

SCRep. 918 Finance on S.B. No. 1283

The purpose of this bill is to effect practical research in the area of crop diversification and to explore new areas of crop development, thereby strengthening the agricultural base of the industry as well as creating further marketing areas for Hawaiian agriculture.

As passed by the Senate, this bill amended several sections of chapter 153, relating to the Hawaii agricultural products program and revolving fund, administered by the board of agriculture, as the means of inaugurating the proposed farming demonstration project, establishing in the department of agriculture for administrative purposes an advisory committee on agricultural products.

When considered by your Committee on Agriculture, to which this bill was initially referred after transmitted from the Senate, it said that the purpose hereof:

"... falls within the acknowledged and accepted mission of the College of Tropical Agriculture of the University of Hawaii. Therefore, the administration of the program would be more effectively carried out by the College of Tropical Agriculture in cooperation with the department of agriculture and has amended the bill to so provide."

In any event, wherever the project is situated, your Committee is satisfied as to its prospective merits. The appropriation requested as necessary for the purpose of this bill is in the sum of \$100,000, which your Committee hereby recommends.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 1283, S. D. 2, H. D. 1**, and recommends that it pass third reading.

Signed by all members of the Committee.

SCRep. 919 Lands on H.C.R. No. 97

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources to reserve 200 acres at Anuenue, Oahu for development of Anuenue Beach Park and to conduct a land use study on the remaining area with recommendations for future action and plausible alternatives - including the recreational potential of Keehi Lagoon and a marine stadium for aquatic sports in the general area of Seaplane Runway 14-32 Diamond Head of the Bascule Bridge at Kapalama Basin.

Your Committee concurs with the purpose of **H. C. R. No. 97** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 920 Joint Select Committees of Kauai, Maui, Oahu and Hawaii Representatives on H.C.R. No. 37

The purpose of this concurrent resolution is to request an interim study under the coordination of the Commission on Manpower and Full Employment. The study is to be accomplished by the director of the Department of Social Services and Housing, the chairman of the Board of Land and Natural Resources, the director of the Department of Labor and Industrial Relations, the chairman of the Commission on Manpower and Full Employment, and all other directors of appropriate county agencies.

The Commission on Manpower and Full Employment shall submit a report 20 days prior to the opening of the Regular Session of 1972 of the Legislature.

Your Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives concurs with the intent and purpose of **H. C. R. No. 37** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 921 Higher Education on H.C.R. No. 96

The purpose of this resolution is to request the Federal government to participate in the funding of state institutions of higher education.

State and local taxes throughout the country have been increasing over the years, so that in many states, they are approaching or have reached levels of saturation. In many states, taxpayer resistance to increased school budgets and bond issues for capital construction have created crises in funding educational enterprises at all levels.

On the other hand, the federal tax structure, with its steeply graduated income tax rates, has a built-in escalator which will bring in increased revenues as long as the economy is not in a state of depression. Inflationary trends and the affluent society will increase the federal revenues at a more rapid rate than it will increase the revenues of the states.

Accordingly, in the re-ordering of national priorities which is now under consideration, as manifested in many ways throughout the country but particularly in discussions in the nation's capital, it would be highly desirable, and your Committee believes appropriate, for the United States Congress to make a major commitment to higher education.

Your Committee is very aware of the problem of financing higher education. However, a more equitable and feasible criteria should be used to determine the basis of federal contribution than on the basis of \$25 for each student credit hour. Therefore, your Committee recommends that the first **BE IT RESOLVED** clause be amended by deleting the phrase "on the basis of \$25 for each student credit hours;" and substituting the phrase "by supplementing the appropriations provided by each state legislature to the extent of twenty per cent of the state appropriation, and increasing the percentage of federal funding over the years until it matches or equals the appropriation provided by each state for its institutions of higher education;"

The thrust of this resolution, by asking the Congress to provide funds to supplement state appropriations, places the emphasis on where the basic responsibility should continue to lie, namely in the states. By starting moderately, but by increasing the proportion of the federal supplement over the years, those states which have not provided adequately in the past may find an incentive to do more. On the other hand, states such as

Hawaii, which have done well by higher education, but finds its desire to do more in the future clouded by uncertainties and a less rapidly expanding base of revenue resources, would continue to fund higher education at a relatively high level in accordance with its resources.

Your Committee on Higher Education is in accord with the intent and purpose of **H. C. R. No. 96**, as amended herein, and recommends its adoption in the form attached hereto as **H. C. R. No. 96, H. D. 1**.

Signed by all members of the Committee.

SCRep. 922 Housing and Consumer Protection on S.B. No. 576

The purpose of this bill is to grant a tax relief for a limited period of time to a housing project which is owned and operated by a limited distribution mortgagor under sections 202, 221(d)(3), or 236 of the National Housing Act or which is owned and operated by a person, corporation or association regulated by federal or State laws or by a political subdivision of the State or agency thereof as to rents, charges, profits, dividends, development costs and methods of operation.

Your Committee finds that there exists in the State of Hawaii a critical shortage of housing units for low and moderate income families. Various studies have indicated the need for from 40,000 to 50,000 units at the present time. These studies show that the forces of population increase and obsolescence will combine to create a need for over 250,000 units by 1985. Since 1961, the economy has been producing an average of less than 10,000 units annually.

In order to meet the needs of these low and moderate income families we must look to the assistance of various federal programs under the National Housing Act and also under Chapter 359G, Hawaii Revised Statutes (Act 105, Session Laws of Hawaii 1970).

Nonprofit and limited distribution mortgagors are attempting to alleviate this situation by developing housing projects for the low and moderate income families. The success of such projects is greatly dependent upon government assistance such as mortgage insurance under sections 202, 221(d)(3), and 236 of the National Housing Act and also exemption from State real property and general excise taxes.

Based upon the statements of the FHA Director of Hawaii, your Committee finds as follows:

1. The profits of a limited distribution mortgagor are pre-determined and strictly limited by law.

2. The expenses and profits of a limited distribution mortgagor are strictly regulated and controlled by the FHA.

3. The real property tax exemption granted by **S. B. No. 576, S. D. 1**, will not result in an increase of profit for the limited distribution mortgagor.

4. There have been several low and moderate income housing projects which have failed to receive the approval of the FHA due to the fact that the necessary rental rates to make the projects economically feasible were over the permissible rates. If these projects had had the benefits of real property taxation exemption in the determination of the rental rates, these projects probably would have come into being.

5. The low to moderate income tenants occupying these housing projects will benefit as their rent would be higher without the real property tax exemption granted by this bill.

6. There will be more new housing projects for low and moderate income families as a result of the real property taxation exemption granted by **S. B. No. 576, S. D. 1**.

The real property tax exemption granted by **S. B. No. 576, S. D. 1**, will be available only during the period the housing project is mortgaged pursuant to the aforesaid provisions of federal law and under the control and regulation of the applicable federal, State or county government agency.

Senate Bill No. 576, S. D. 1 will benefit the low and moderate income consumers of this State because the tax savings will be passed on to such consumers either in the form of lower rents or by delaying the increase of rent due to spiraling operational costs. Also the passage of this bill should encourage the development of more rental housing units for this income group.

Your Committee on Housing and Consumer Protection is in accord with the intent and purpose of **S. B. No. 576, S. D. 1** and recommends its passage on second reading

and its referral to your Committee on Finance for further consideration.

Signed by all members of the Committee except Representative Wasai.

SCRep. 923 Judiciary on S.B. No. 446

The purpose of this bill is to provide, for industrial loan companies, an alternative method of computing interest on loans.

Under the present law, industrial loan companies are permitted to charge, contract for, receive or collect in advance, interest at stipulated rates on an added to or discounted basis. This bill would provide an alternate method of charging interest by allowing the receipt of interest at the rate of one and one-half per cent per month on the unpaid principal balance of the loan.

Your Committee upon consideration of **S. B. No. 446** recommends that it be amended by inserting at the end of the first sentence in subsection 408-15(j) the words "for a loan period of no longer than three years," and by deleting the last sentence in said subsection 408-15(j).

Your Committee is in accord with the intent and purpose of **S. B. No. 446**, as amended herein, and recommends its passage on Second Reading in the form attached hereto as **S. B. No. 446, H. D. 1**, and placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 924 Legislative Management Informing the House that House Resolution Nos. 390 to 402, House Concurrent Resolution Nos. 98 to 100, Standing Committee Report Nos. 905 to 923, Conference Committee Report No. 3, Re: Senate Concurrent Resolution No. 48, Senate Draft 1, House Draft 1, Conference Draft 1, Conference Committee Report No. 4, Re: Senate Bill No. 8, Senate Draft 2, House Draft 1, Conference Draft 1, Conference Committee Report No. 5, Re: Senate Bill No. 892, Senate Draft 1, House Draft 1, Conference Draft 1, Conference Committee Report No. 6, Re: House Bill No. 491, House Draft 1, Senate Draft 1, Conference Draft 1, and Conference Committee Report No. 7, Re: House Bill 389, House Draft 1, Senate Draft 1, Conference Draft 1, and Senate Bill No. 600, Senate Draft 2, House Draft 2, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 925 Higher Education on H.C.R. No. 100

The purpose of this concurrent resolution is to affirm the need of a second four-year campus on Oahu and to request the University of Hawaii to develop and implement plans of such campus within the comprehensive system of higher education.

The resolution further requests the University that the planning for such campus take place within the framework established by Act 185, Session Laws of Hawaii 1970, the Executive Budget Act, including the following categories: (1) research and development costs; (2) capital investment costs; (3) non-capital investment costs; and (4) operating costs. A progress report on such planning is to be reported to the Legislature prior to the convening of the 1972 Regular Session.

At the outset of this session of this Legislature, your Committee was charged with the responsibility to make a study and to formulate recommendations pursuant to directions mandated under **H. R. No. 19, H. D. 1**, entitled: "HOUSE RESOLUTION REQUESTING THE HOUSE HIGHER EDUCATION COMMITTEE TO HOLD PUBLIC HEARINGS AND REPORT ON THE ALTERNATIVES TO COPE WITH THE INCREASE OF THE FULL-TIME STUDENT ENROLLMENT AT THE UNIVERSITY OF HAWAII". Pursuant thereto, your Committee under **Standing Committee Report No. 913** of this session of the Legislature reported its findings, conclusions and recommendations which afford the bases and rationale for this concurrent resolution. These findings, conclusions and recommendations are incorporated herein and made a part hereof by reference.

The concurrent resolution has been amended to correct a misspelling of the word "Resolved" on line 6 of page 2.

Your Committee on Higher Education is in accord with the intent and purpose of **H. C. R. No. 100** as amended herein and recommends its adoption in the form attached hereto as **H. C. R. No. 100, H. D. 1**.

Signed by all members of the Committee.

SCRep. 926 Finance on S.B. No. 576

The purpose of this bill is to grant a tax relief for a limited period of time to any housing project mortgagor who qualifies and obtains mortgage insurance under sections 202, 221(d) (3), or 236 of the National Housing Act as a limited distribution mortgagor of a housing project regulated by federal or State laws or by a political subdivision of the State or agency thereof, as to rent, charge, profit, dividend, development cost, and method of operation.

Your Committee hereby takes legislative notice that there exists in the State of Hawaii a critical shortage of housing units for low (and moderate) income families. Various studies have indicated the need for from 40,000 to 50,000 units at the present time. These studies show that the forces of population increase and obsolescence will combine to create a need for over 250,000 units by 1985. Since 1961, the economy has been producing an average of less than 10,000 units annually.

In order to meet the needs of these low (and moderate) income families we must look to the assistance of various federal programs under the National Housing Act, and also under Chapter 359G, Hawaii Revised Statutes (Act 105, Session Laws of Hawaii 1970), as amended pursuant to which there is also a legislative expression that the hereinabove stated "critical shortage" exists.

Nonprofit and limited distribution mortgagors are attempting to alleviate this situation by developing housing projects for low (and moderate) income families. The success of such projects is greatly dependent upon government assistance such as mortgage insurance provisions under sections 202, 221(d) (3), and 236 of the National Housing Act, and also exemption from State real property and general excise taxes provided for by this bill.

As a condition to obtaining mortgage insurance under sections 202, 221(d) (3), and 236 of the National Housing Act, a limited distribution mortgagor agrees with the Federal Housing Commissioner to restrict or limit the distributional profits or return by a fixed percentage of the mortgagor's equity capital or amount of mortgage. Said profits or returns are not related to the amount of rentals received by such limited distribution mortgagor. Therefore, the imposition of real property and general excise taxes upon a

housing project, the mortgage of which is insured under said sections 202, 221(d) (3), and 236 will result in higher rental charges to the tenants thereof without in any manner affecting the mortgagor's profits or return. The granting of the tax exemptions contained in this bill will not result in increasing the profits or return of a limited distribution mortgagor, such profits having been determined by the Federal Housing Commissioner according to the applicable provisions of the National Housing Act independent of such exemptions.

The difference in tax treatment between nonprofit and limited distribution mortgagors has resulted in discouraging limited distribution mortgagors from developing and maintaining multi-family projects for families of low and moderate income. Studies have shown that it is economically not feasible for a limited distribution mortgagor to provide housing without the assistance from the State in the form of tax exemption. There is a significant difference in the rental structure between projects developed by a nonprofit mortgagor and projects developed by a limited distribution mortgagor, and the primary reason therefor is the enjoyment of real property and general excise tax exemption by the nonprofit mortgagor. The imposition of such taxes upon a limited distribution mortgagor only serves to increase the mortgage amount of mortgages insured under said sections 202, 221(d)(3) and 236. Besides there is fierce competition among the various FHA district offices throughout the United States to obtain allocations for such mortgages. The tax exemption will allow more housing units to be built within the FHA mortgage allocations.

Based upon the statements of the FHA Director of Hawaii, Your Committee on Housing and Consumer Protection, in **Stand. Com. Rep. No. 922**, has found as follows:

"1. The profits of a limited distribution mortgagor are pre-determined and strictly limited by law.

"2. The expenses and profits of a limited distribution mortgagor are strictly regulated and controlled by the FHA.

"3. The real property tax exemption granted by **S. B. No. 576, S. D. 1**, will not result in an increase of profit for the limited distribution mortgagor.

"4. There have been several low and moderate income housing projects which have failed to receive the approval of the FHA due to the fact that the necessary rental rates to make the projects economically feasible were over the permissible rates. If these projects had had the benefits of real property taxation exemption in the determination of the rental rates, these projects probably would have come into being.

"5. The low to moderate income tenants occupying these housing projects will benefit as their rent would be higher without the real property tax exemption granted by this bill.

"6. There will be more new housing projects for low and moderate income families as a result of the real property taxation exemption granted by S. B. No. 576, S. D. 1.

The real property tax exemption granted by this bill will be available only during the period the housing project is mortgaged pursuant to the aforesaid provisions of federal law and under the control and regulation of the applicable federal, State or county government agency.

As amended herein, it is the intent of this bill to benefit the low income consumers of this State, only. As to consumers in such classification, the operative effect of this bill is to pass on the tax savings either in the form of lower rents or by delaying the increase of rent due to spiraling operational costs. Also the passage of this bill should encourage the development of more rental housing units for this income group.

Your Committee has amended this bill by deleting throughout the captions of the various sections amended hereby and the title hereof the phrase "and moderate-" from between the words "low" and "income", relating to the classification of housing to which the exemptions which as the subject matter hereof apply.

This recommendation is consonant with our handling of H. B. No. 1222, H. D. 1, which on April 14, 1971, was returned from the Senate and is on its way to the governor. (It is an administration measure).

Thereby, your Committee amended certain sections of Acts 194, 287, 239 and 150,

Session Laws of Hawaii 1961, 1967, 1969 and 1970, respectively. Each of these statutes refers to and includes, at various places throughout, housing for persons of "low", "moderate" and "middle" income. The constitutionality of continued bond issuance, revenue appropriation and land condemnation therefor was questioned based upon doubt of the validity thereof by the State's bond counsel in New York and the State attorney general.

The question raised was: Can the State expend public funds for housing for persons of all such income levels as a valid "public purpose" pursuant to the provisions of Section 2, Article VI, of the State Constitution, since Section 4, Article VIII reads:

"The State shall have power to provide for, or assist in, slum clearance and the development of rehabilitation of substandard areas, including housing for persons of low income." (Emphasis added).

This question, we pointed out, is not peculiar to Hawaii. There has been a recent series of test cases in at least three other states. Although these decisions upheld the constitutionality of similar legislation, your Committee expressed a belief that it was advisable to forego submission of this matter to the process of judicial determination when enactment of that bill, as amended, achieves the desired result. In turn, as necessary, we indicated that "the definition of persons of 'low income' could be adjusted to include the target groups intended to be covered by the Act affected."

Similarly, we are not now so sure that assistance in the form of the tax relief proposed by this bill may not be vulnerable to constitutional attack for the same reasons. However, similarly, it is our conviction that the definition of persons of "low income" can be adjusted to include the target groups covered by the statutes hereby affected.

Your Committee on Finance is in accord with the intent and purpose of S. B. No. 576, S. D. 1, as amended herein, and recommends that it pass third reading in the form attached hereto as S. B. No. 576, S. D. 1, H. D. 1

Signed by all members of the Committee.

SCRep. 927 Judiciary on S.B. No. 823

The purpose of this bill is to enact a more versatile and clearly defined statute on criminal trespass providing necessary protection to property owners and at the same time constitutional safeguards of individuals by removing the uncertainty in this area of the law that presently exists.

The present necessity for clarification in this area has been made particularly obvious by the recent decision of the State Supreme Court of Hawaii, *State of Hawaii v. Grahovac*, nullifying the Wandering and Land of Another Provisions of the State's vagrancy statutes, Hawaii Revised Statutes, section 772-1.

Your Committee concurs with the Senate Committee on Judiciary in believing that the principles of the Proposed Hawaii Penal Code is the most appropriate context to provide differentiations in the crime of trespass according to its seriousness.

Your Committee on Judiciary is in accord with the intent and purpose of **S. B. No. 823, S. D. 1** and recommends its passage on Second Reading and placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 928 Judiciary on S.B. No. 1181

The purpose of this bill is to conform the state law relating to credit life and disability insurance to the requirements of the Federal Credit Union Administration.

Present Hawaii law requires the issuer of credit insurance to be properly licensed and, therefore, to be considered in a limited manner as insurance agent. Federal Regulations promulgated under the authority of the Federal Credit Union Act, however, prohibit credit unions from acting as insurance agents. This bill would exempt credit unions from the licensing requirements of the Hawaii Law and thus remove them from being considered as insurance agents. Testimony by the Insurance Division indicates that the granting of this exemption would not result in a loss of state control over credit insurance activities, since such activities require an insurer, and insurers are regulated by the Division.

Your Committee is in accord with the intent and purpose of **S. B. No. 1181** and recommends its passage on Second Reading and placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 929 Finance on S.B. No. 1283

The purpose of this bill is to effect practical research in the area of crop diversification and to explore new areas of crop development, thereby strengthening the agricultural base of the industry as well as creating further marketing areas for Hawaiian agriculture. It will encourage farmers to participate in agricultural development by allowing the State to share the risks involved.

As passed by the Senate, this bill amended several sections of chapter 153, relating to the Hawaii agricultural products program and revolving fund, administered by the board of agriculture, as the means of inaugurating the proposed farming demonstration project, establishing in the department of agriculture for administrative purposes an advisory committee on agricultural products.

When considered by your Committee on Agriculture, to which this bill was initially referred after transmitted from the Senate, it said that the purpose hereof:

“ . . . falls within the acknowledged and accepted mission of the College of Tropical Agriculture of the University of Hawaii. Therefore, the administration of the program would be more effectively carried out by the College of Tropical Agriculture in cooperation with the department of agriculture and has amended the bill to so provide.

However, your Committee, after conducting meaningful dialogue between the two agencies concerned, has concluded that the program would be best administered by the department of agriculture as originally proposed by the Senate and has amended the bill as identical to **S. B. No. 1283, S. D. 2**, to so provide.

Your Committee recognizes that the College of Tropical Agriculture is already involved in practical research of the nature expressed in the bill but not to the full extent of this bill. The College has much of the information, expertise and manpower neces-

sary to effectively carry out the proposed program.

Your Committee wishes to express at this time that the department of agriculture, in the implementation of this program, should avoid duplicating services that the College of Tropical Agriculture is presently engaged in.

Therefore, it is the intent of your Committee that the department of agriculture should contract with the College of Tropical Agriculture for the technical and research aspects of this program and so instructs the advisory committee on agricultural products established by this bill.

It is your Committee's intent that these programs are to be developed on all of the neighbor islands as well as on Oahu, at least one per county.

Your Committee is satisfied as to the prospective merits of this bill and the appropriation requested as necessary for the purpose of this bill is in the sum of \$100,000, which your Committee hereby recommends.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 1283, S. D. 2, H. D. 1**, as amended herein, and recommends its passage on third reading in the form attached hereto as **S. B. No. 1283, S. D. 2, H. D. 2**.

Signed by all members of the Committee except Representative Kunimura.

SCRep. 930 Judiciary on S.B. No. 42

The purpose of this bill, as amended, is to provide for special elections to fill vacancies created in legislative offices which occur because of a failure to elect a person at an uncontested general election.

The present law fails to provide for a method for filling a vacancy occurring in a legislative office because of a failure to elect a person at an uncontested general election. Under such circumstances, section 6, Article III of the State Constitution empowers the governor to fill the vacancy by appointment for the unexpired term. Nevertheless, this provision may be constitutionally suspect, as depriving the people of their right to elect their congressmen and legislators.

This bill would allow the people, to vote for a person to fill a vacancy which has oc-

curred as a result of a failure to elect, the special procedures set forth in this bill, as amended, would provide adequate time for candidates and election officials to carry out their respective campaigning and election functions.

Your Committee on Judiciary is in accord with the intent and purpose of **S. B. No. 42, S. D. 1** and recommends its passage on Second Reading and placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 931 Judiciary on S.B. No. 36

The purpose of this bill is to amend the existing firearms laws so that they will be more effective in deterring and preventing the proliferation of crimes involving the illegal possession and use of firearms in the State of Hawaii.

Upon re-consideration of this matter, your Committee concurs with the findings and conclusions of the Judiciary Committee of the Senate as expressed in **Standing Committee Report No. 524** and agrees with the language as contained in **S. B. No. 36, S. D. 2**. Accordingly, **S. B. No. 36, S. D. 2, H. D. 1** has been amended to read as set forth in **S. B. No. 36, S. D. 2**.

Your Committee is in accord with the intent and purpose of **S. B. No. 36, S. D. 2, H. D. 1**, as amended herein, and recommends its passage on Third Reading in the form attached hereto as **S. B. No. 36, S. D. 2, H. D. 2**.

Signed by all members of the Committee except Representative Aduja.

SCRep. 932 Housing and Consumer Protection on H.C.R. No. 99

The purpose of this Resolution is to conduct an interim study of the proposed Landlord-Tenant Code drafted by the Legislative Reference Bureau in March, 1971. The findings and recommendations of the study are to be submitted to the House of Representatives and Senate no later than twenty days prior to the convening of the 1972 Regular Session.

That there is a need for a code governing the relationship of landlord and tenant has long been recognized. Present law is very

sketchy in laying rules to govern this relationship. The proposed code has been commended from by all sectors as an excellent job of research and development, but given the significance of this legislation, your Committee feels that a review is not unwarranted.

Your Committee upon consideration of the resolution recommends that for the interim study the Speaker of the House of Representatives and the President of the Senate appoint an interim committee, thus amending the resolution's assignment of the work to three different committees: Housing and Consumer Protection, and Judiciary Committees of both houses. This, your Committee suggests, should be done for administrative expediency.

Your Committee on Housing and Consumer Protection is in accord with the intent and purpose of **H. C. R. No. 99**, as amended herein, and recommends its adoption in the form attached hereto as **H. C. R. No. 99, H. D. 1**.

Signed by all members of the Committee except Representative Medeiros.

SCRep. 933 Public Health, Youth and General Welfare on H.C.R. No. 95

The purpose of this concurrent resolution is to request the Department of Health to explore the development of a demonstration project to ascertain whether "alienated individuals" will accept services from a Health Department Clinic through the application of the criteria found to be effective by the Waikiki Drug Clinic.

Your Committee is aware that many individuals have become alienated from many of the traditional methods of delivery of medical services. The Waikiki Drug Clinic has demonstrated that medically related clinical services are utilized by individuals in the "alienated subculture" when medical services are delivered in an atmosphere in keeping with the lifestyle of the patient. Your Committee is also aware that the Department of Health has made a step in this direction in their efforts to publicize the dangers of venereal disease at rock festivals and encourages the department to further develop new innovative methods.

Your Committee on Public Health, Youth

and General Welfare concurs with the intent and purpose of **H. C. R. No. 95** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 934 Education on H.R. No. 394

The purpose of this resolution is to request the Department of Education to conduct and submit analysis of certain programs, but not limited to these, in the manner specified by Act 185, SLH 1970, to include components of analysis identified in the committee reports of that Act and to be consistent with the cycle for preparing and submitting program and financial plans and that the analysis be reflected in such plans.

Your Committee concurs with the intent and purpose of **H. R. No. 394** and recommends its adoption.

Signed by all members of the Committee except Representative Kato.

SCRep. 935 Education on H.C.R. No. 98

The purpose of this concurrent resolution is to request the Department of Education to conduct and submit analysis of certain programs, but not limited to these, in the manner specified by Act 185, SLH 1970, to include components of analysis identified in the committee reports of that Act and to be consistent with the cycle for preparing and submitting program and financial plans and that the analysis be reflected in such plans.

Your Committee concurs with the intent and purpose of **H. C. R. No. 98** and recommends its adoption.

Signed by all members of the Committee except Representative Kato.

SCRep. 936 Higher Education on H.R. No. 296

The purpose of this resolution is to direct the Legislative Auditor to conduct a comprehensive study of the University of Hawaii's administrative policies, practices and procedures when contracting for services of consultants. There are many problems involved in contracting for consultant services. The University by virtue of its teaching aims requires in many instances the services of outside specialists in certain fields to supplement the base of knowledge of its own faculty and

staff. It is desirable to have procedures that are flexible, but yet meeting adequate standards of safeguards.

Your Committee on Higher Education is in accord with the intent and purpose of **H. R. No. 296** and recommends its referral to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 937 Finance on H.R. No. 83

The purpose of this resolution is to request the department of land and natural resources to determine the feasibility of acquiring military areas which are non-essential to military requirements, with particular emphasis on the acquisition of the West Loch of Pearl Harbor for a public park.

Your Committee is concerned with the need to provide recreational areas for the residents of our State. The acquisition and development of West Loch would appear to afford a proper site for boating, fishing, and swimming. Your Committee understands the necessity to provide adequate facilities for the U. S. Navy; however, in the instance that this area serves no useful purpose in the operation of Pearl Harbor, it would seem reasonable to investigate the possibility of surrendering the area to the State for use as a recreational facility.

Your Committee concurs with the intent and purpose of **H. R. No. 83** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 938 Finance on S.C.R. No. 1

The purpose of this concurrent resolution is to request the President of the Senate and the Speaker of the House of Representatives to establish a joint interim committee to examine the structure and efficiency of State government and to report on its findings and recommendations to the 1972 regular session of the Legislature.

This concurrent resolution is consistent with the recommendation made by the Joint Interim Committee on Legislative Review and Organization which has advised the legislature on the potential impact of planning-programming-budgeting on State orga-

nization, and has urged that a joint legislative committee study this matter during the forthcoming interim period.

Your Committee agrees with this concurrent resolution as heretofore amended, that the joint interim committee should also be assigned the specific responsibility of reviewing the implementation of planning-programming-budgeting as prescribed by Act 185, S. L. H. 1970. The next year is a crucial transitional year as the State moves from its traditional form of budgeting to the new PPB System mandated by Act 185. A continuation of legislative review of the implementation of Act 185, which commenced with the review during the last interim period by the Joint Interim Committee of Legislative Review and Organization, will assist in ensuring the systematic implementation of PPB in accordance with legislative guidelines. Your Committee also agrees that the Legislative Auditor should be requested to furnish technical assistance to the joint interim committee.

Your Committee on Finance concurs with the intent and purpose of **S. C. R. No. 1, S. D. 1**, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 939 Finance on H.C.R. No. 21

The purpose of this resolution is to request the University of Hawaii to study the feasibility of establishing a school of public affairs.

The need for training persons skilled and sensitive to deal with people of Asian and other Pacific countries will increase as our involvement with these nations deepens. Hawaii has people with unique talents by virtue of their national origin stemming from these countries and whose life patterns in many ways are closer to the cultural and ideological philosophies of Asian and Pacific countries. Hawaii's strategic geographic location and cultural composition provide logical reasons for its people to play a greater role in international affairs of the Asian and Pacific areas.

Your Committee on Finance concurs with the intent and purpose of **H. C. R. No. 21, H. D. 1**, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 940 Finance on H.C.R. No. 61

The purpose of this concurrent resolution is to request the Continuing Health Education Council of Hawaii and the Pacific Basin to plan and direct a conference on health manpower planning to discuss problems of health manpower and to submit a report to the Legislature, Regular Session of 1971.

Rapid changes in the health field have brought about a complexity of problems in health care systems and planning including certification of new allied health professions, relicensing of existing health professions, hospital and clinic administration, construction, costs, manpower supply use, and distribution, and medical assistance programs and health insurance. Your Committee agrees with your Committee on Public Health, Youth and General Welfare, heretofore reporting hereupon in **Stand. Com. Rep. No. 818**, that "these problems require resolution in order that comprehensive health planning, policies, and alternatives may be developed."

Your Committee on Finance concurs with the intent and purpose of **H. C. R. No. 61** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 941 Finance on H.R. No. 319

The purpose of this resolution is to request the Hawaii Venereal Disease Commission, the Department of Education, the Department of Health, and the Hawaii Medical Association to establish a comprehensive program to combat venereal disease, and to submit their recommendations to the 1972 Session of the State Legislature.

Your Committee on Finance concurs with the intent and purpose of **H. R. No. 319** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 942 Legislative Management Informing the House that House Resolution Nos. 403 to 417, House Concurrent Resolution Nos. 101 to 103, Standing Committee Reports Nos. 927 to 941, Conference Committee Report No. 8, Re: Senate Bill No. 20, Senate Draft 2, House Draft 1, Conference Draft 1; Conference Committee Report No. 9, Re: Senate Bill No. 134, Senate Draft 3, House Draft 1, Conference Draft 1.

Conference Committee Report No. 10, Re: Senate Bill No. 627, Senate Draft 1, House Draft 1, Conference Draft 1; Conference Committee Report No. 11, Re: Senate Bill No. 862, Senate Draft 1, House Draft 1, Conference Draft 1; Conference Committee Report No. 12, Re: Senate Bill No. 904, House Draft 1, Conference Draft 1; Conference Committee Report No. 13, Re: Senate Bill No. 1099, Senate Draft 1, House Draft 1, Conference Draft 1.

Conference Committee Report No. 14, Re: Senate Bill No. 599, House Draft 1, Conference Draft 1; Conference Committee Report No. 15, Re: Senate Bill No. 1040, Senate Draft 1, House Draft 1, Conference Draft 1; Conference Committee Report No. 16, Re: Senate Bill No. 372, Senate Draft 1, House Draft 1, Conference Draft 1.

Conference Committee Report No. 17, Re: Senate Bill No. 1160, Senate Draft 1, House Draft 1, Conference Draft 1; Conference Committee Report No. 18, Re: Senate Bill No. 910, Senate Draft 1, House Draft 1, Conference Draft 1 and Standing Committee Report No. 943 to 953, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 943 Finance on S.C.R. No. 83

The purpose of this concurrent resolution is to request the governor's advisory committee on taxation and finance to study the desirability and feasibility of conforming Hawaii State income tax law with the federal tax code and computing State tax liability as a percentage of federal tax liability, and to determine a method, if any, whereby variances in the federal and State tax laws could be simply reconciled on a single page return; and to submit a report of its findings and recommendations to the Legislature twenty days prior to the convening of the Regular Session of 1972. The 1957 Territorial Legislature adopted the Internal Revenue Code, with certain specified exceptions, as the basis for determining Hawaii taxable income, and the expressed purpose for doing this was to lessen the taxpayer's burden of compliance. However, since 1957, amendments to the Internal Revenue Code have been adopted for Hawaii purposes on a selective basis which has led to extensive disparity between the rules of the Federal Tax return and the Hawaii Tax return, and such disparity may be a source of confusion to the individual tax-

payer and may detract from the efficiency of the department of taxation; and

Your Committee conceives of the ultimate objective of Federal-State income tax comity as a condition that would allow the taxpayer to satisfy both State and Federal filing requirements with a single return. Therefore, greater conformity between Hawaii's State income tax law and the Internal Revenue Code would make it possible for the taxpayer to have his State tax liability computed as a percentage of the federal liability. Under such a system, variances in the Federal and State Tax laws could still exist and be worked into the percentage rate or separately computed on a single page return.

Your Committee is informed that three states including Alaska, Nebraska and Vermont are presently computing state income tax liability as a percentage of the federal tax, and that reports from these states indicate that there has been surprisingly little difficulty with either compliance or administration of the state income tax law.

Your Committee recognizes that in drafting this concurrent resolution the words: "the House of Representatives concurring" were inadvertently omitted. Your Committee has therefore, amended this concurrent resolution to correct said omission.

Your Committee on Finance concurs with the intent and purpose of **S. C. R. No. 83**, as amended herein, and recommends its adoption in the form attached hereto as **S. C. R. No. 83, H. D. 1**.

Signed by all members of the Committee.

SCRep. 944 Housing and Consumer Protection on **H.R. No. 395**

The purpose of this Resolution is to conduct an interim study of the proposed Landlord-Tenant Code drafted by the Legislative Reference Bureau in March, 1971. The findings and recommendations of the study are to be submitted to the House of Representatives no later than twenty days prior to the convening of the 1972 Regular Session.

That there is a need for a code governing the relationship of landlord and tenant has long been recognized. Present law is very sketchy in laying rules to govern this relationship. The proposed code has been commended from by all sectors as an excellent job

of research and development but given the significance of this legislation, your Committee feels that a review is not unwarranted.

Your Committee upon consideration of the resolution recommends that for the interim study the Speaker of the House of Representatives appoint an interim committee, thus amending the resolution's assignment of the work to two different committees: Housing and Consumer Protection and Judiciary Committee. This, your Committee suggests, should be done for administrative expediency.

Your Committee on Housing and Consumer Protection is in accord with the intent and purpose of **H. R. No. 395**, as amended herein, and recommends its adoption in the form attached as **H. R. No. 395, H. D. 1**.

Signed by all members of the Committee except Representative Medeiros.

SCRep. 945 Select Committee of Oahu Representatives on **H.R. No. 387**

The purpose of this resolution is to promote traffic safety at various locations of Kalihi Street which is a main thoroughfare in Kalihi Valley's residential area. To accomplish the purpose the resolution requests the City and County of Honolulu to relocate two crosswalks at key locations and also requests the City and the Hawaiian Electric Company to relocate utility poles at two intersections.

Your Select Committee of Oahu Representatives concurs with the intent and purpose of **H. R. No. 387** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 946 Public Health, Youth and General Welfare on **H.R. No. 385**

The purpose of this resolution is to request the Department of Health to explore the development of a demonstration project to ascertain whether "alienated individuals" will accept services from a Health Department Clinic through the application of the criteria found to be effective by the Waikiki Drug Clinic.

Your Committee is aware that many individuals have become alienated from many of the traditional methods of delivery of medical services. The Waikiki Drug Clinic

has demonstrated that medically related clinical services are utilized by individuals in the "alienated subculture" when medical services are delivered in an atmosphere in keeping with the lifestyle of the patient. Your Committee is also aware that the Department of Health has made a step in this direction in their efforts to publicize the dangers of venereal disease at rock festivals and encourages the department to further develop new innovative methods.

Your Committee on Public Health, Youth and General Welfare concurs with the intent and purpose of **H. R. No. 385** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 947 Select Committee of Hawaii Representatives on **H.C.R. No. 102**

The purpose of this house concurrent resolution is to request Hawaii's delegation to Congress to encourage the continuance of the Peace Corps training contract with the Center for Cross-Cultural Training and Research in Hilo, County of Hawaii.

Your Committee on Hawaii Select is in accord with the intent and purpose of **H.C.R. No. 102** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 948 Public Health, Youth and General Welfare on **H.R. No. 397**

The purpose of this resolution is to request the establishment of an interim legislative committee, to be appointed by the Speaker of the House, to study the problems of food additives and synthetics as outlined in the Resolution and to study and recommend means and methods of giving adequate notice to the public when such synthetics are used in food preparation and processing in Hawaii.

Your Committee is aware of the strong citizen concern in this area, and begs leave to

suggest that, in the pursuit of this study and subsequent recommendations, the interim legislative committee consult with various citizen groups as well as personnel from the various concerned state and federal agencies.

Your Committee on Public Health, Youth, and General Welfare concurs with the intent and purpose of **H.R. No. 397** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 949 Finance on **H.R. No. 35**

The purpose of this resolution is to cause the Legislative Auditor to conduct a study and submit a report thereof to the Legislature on the workload of school classified employees, custodians, cafeteria workers, and library clericals.

Your Committee on Finance concurs with the intent and purpose of **H. R. No. 35** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 950 Finance on **H.R. No. 94**

The purpose of this resolution is to request the department of planning and economic development to conduct a study to determine whether maximum utilization of local agricultural products is being made by industry, including hotels, and state and county governments, and to investigate and develop programs and other courses of action to improve and increase the utilization of local agricultural products.

Your Committee finds that no research has been carried on regarding the maximum utilization of locally produced agricultural products through local industry and government agencies, although utilization on various levels of local and mainland markets of individual locally produced items has been carried on. The department of agriculture, the university of Hawaii college of tropical agriculture, and the department of planning and economic development are in full support of this resolution and feel that the findings of the proposed study would be most beneficial in pinpointing local utilization.

Your Committee concurs with the intent

and purpose of **H. R. No. 94, H. D. 1**, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 951 Finance on H.R. No. 147

The purpose of this resolution is to request the university of Hawaii to provide expanded entrance options for high school students to all units of the university system, including its community colleges. This offers students who have demonstrated superior academic qualities, and who have exhausted the academic experiences available in high school, the opportunity to take higher level courses.

Your Committee on Finance concurs with the intent and purpose of **H. R. No. 147** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 952 Finance on H.R. No. 213

The purpose of this resolution, as introduced, is to request the Speaker of the House of Representatives to establish a special interim committee on "agricultural lands".

The expression of concern therein which relates to "imposition of real property tax on agricultural land", which, it is said, "substantially effects the agricultural sector". Your Committee agrees; and, also, that consideration of these tax policies "contemplates a need to establish a study group which will have the time and energy to this task after the close of this session."

Your Committee effected certain substantial amendments to the language hereof (including the title by inserting the phrase "taxation of" between the phrases "committee on" and "agricultural lands"), for the purpose of more clearly defining the purpose hereof as we understand it, but none of which affects the intent and purpose hereof.

Your Committee on Finance concurs with the intent and purpose of **H. R. No. 213**, as amended herein, and recommends its adoption in the form attached hereto as **H. R. No. 213, H. D. 1**.

Signed by all members of the Committee.

SCRep. 953 Finance on H.R. No. 214

The purpose of this resolution is to request the department of education and the university of Hawaii to study and develop recommendations for a more effective and efficient means of carrying out the adult education program.

At present, there are adult education programs being provided by the DOE as well as the university. Because the programs are administered by two different agencies, there are reasons to believe that there may be unwarranted duplication of efforts, while gaps may exist in other areas.

Your Committee believes that an objective study could help to uncover areas of weaknesses in our present dual system so that corrective actions, if necessary, can be implemented. The resolution states that the office of the vice-president for community colleges shall coordinate the study. It should be clear that the participation of community college personnel does not mean that the transfer of functions to the community colleges is anticipated. Instead, the participation of respective departments should serve as a means to more adequately develop a coordinated program.

Your Committee on Finance concurs with the intent and purpose of **H. R. No. 214** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 954 Select Committee of Hawaii Representatives on H.R. No. 409

The purpose of this house resolution is to request Hawaii's delegation to Congress to encourage the continuance of the Peace Corps training contract with the Center for Cross-Cultural Training and Research in Hilo, County of Hawaii.

Your Committee on Hawaii Select is in accord with the intent and purpose of **H.R. No. 409** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 955 Finance on H.R. No. 121

The purpose of this resolution is to request the Legislative Auditor to conduct an audit and to evaluate the effectiveness of The Hawaii Office of Economic Opportunity, and submit a report thereon to the Legislature prior to convening of the 1972 session.

The Hawaii Office of Economic Opportunity, established by Executive Order of the Governor in 1965, oversees the various anti-poverty federal programs, the purposes of which are in terms of long-range goals, entailing large expenditures of public money.

Your Committee believes that continued expenditures of such substantial sums can only be justified if progress is being made toward enabling persons of low socio-economic status to improve themselves and to become self-sufficient individuals, and such further expenditures should be contingent upon the effectiveness of such programs in progressing toward their goals.

Since this is a matter of pressing legislative concern, and since the Office of the Legislative Auditor conducts studies to assist the various State agencies and institutions to function more efficiently and economically, your Committee believes that a study of the effectiveness of the Hawaii Office of Economic Opportunity should be conducted to ascertain whether expenditures of public money is justified.

Your Committee on Finance concurs with the intent and purpose of **H. R. No. 121** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 956 Finance on H.R. No. 145

The purpose of this resolution is to request the department of labor and industrial relations to conduct a survey on how recently discharged veterans are faring in the labor market and to report its findings to the Legislature prior to convening of the 1972 session.

National statistics indicate that recently discharged veterans fare rather poorly in the labor market, and the age group to which most of them belong has a disproportionately high rate of unemployment. A survey of the labor market experiences of recently discharged veterans in Hawaii would undoubtedly be of value in determining possible courses of action to aid this group with their problems.

Your Committee on Finance concurs with the intent and purpose of **H. R. No. 145** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 957 Finance on H.R. No. 182

The purpose of this resolution is to request the legislative auditor to conduct a study of alternative methods of financing higher education and to submit a report to the 1973 Regular Session of the Legislature.

Your Committee, having concluded extensive hearings upon the budgetary requirements of the university of Hawaii and having submitted our recommendations thereupon, is disturbed by the trend of sharply increasing costs of higher education. One reason therefore, suggested by your Committee on Higher Education in its report hereupon, is that "the cost will rise mainly because an increasing proportion of our high school graduates are enrolling in our institutions of higher learning." (**Stand. Com. Rep. No. 875**).

Whatever the reason, Hawaii is deeply committed to the importance of education, and if we are to maintain the quality of higher education, resources must grow in commensuration with enrollment increases. Therefore, it becomes necessary to look into better financing alternatives and a reevaluation of the relative shares of cost borne by students, government, and private philanthropy.

In its testimony before your Committee on Higher Education, the university of Hawaii stated that such a study is timely and that the legislative auditor is well qualified to conduct the study. By **S. B. No. 5, S. D. 1, H. D. 1**, the sum of \$875,000 was appropriated to the office of the legislative auditor for the ensuing fiscal year for, among other matters, such interim legislative studies or contractual services for such studies.

Your Committee on Finance concurs with the intent and purpose of **H. R. No. 182** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 958 Finance on H.R. No. 226

The purpose of this resolution is to request the Continuing Health Education Council of Hawaii and the Pacific Basin to plan and direct a conference on health manpower planning to discuss problems of health manpower and to submit a report to the Legislature, Regular Session of 1972.

Rapid changes in the health field have brought about a complexity of problems in health care systems and planning including certification of new allied health professions, relicensing of existing health professions, hospital and clinic administration, construction, costs, manpower supply use, and distribution, and medical assistance programs and health insurance. Your Committee agrees with your Committee on Public Health, Youth and General Welfare, heretofore reporting hereupon in **Stand. Com. Rep. No. 817**, that "these problems require resolution in order that comprehensive health planning, policies, and alternatives may be developed."

Your Committee on Finance concurs with the intent and purpose of **H. R. No. 226** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 959 Finance on H.R. No. 231

The purpose of this resolution is to request the Legislative Reference Bureau to conduct a study of the firemen and policemen retirement benefits within the framework of the retirement contributions and benefits of other members of the retirement system. In view of the physical danger and toil, inherent in these professions, a study of their retirement benefits is appropriate at this time. Your Committee has amended this resolution by directing the Legislative Reference Bureau to conduct this study instead of the Board of Trustees of the Employees Retirement System, and has made other amendments so as not to influence the results of this study.

Your Committee on Finance concurs with the intent and purpose of **H. R. No. 231**, as amended herein, and recommends its adoption in the form attached hereto as **H. R. No. 231, H. D. 1**.

Signed by all members of the Committee.

SCRep. 960 Judiciary on H.C.R. No. 106

The purpose of this resolution is to request the Speaker of the House of Representatives and the President of the Senate to appoint and direct a joint interim committee to study the problem of pollution and its effects on the environment and report its finding to the next Legislature.

Your Committee is aware that during this session and past sessions both houses of the Legislature have considered many bills and

resolutions relating to the environment, and have found that immediate and comprehensive legislation is necessary to safeguard our natural resources and environment from further pollution and haphazard development. While the urgency for such legislation is appreciated, your Committee believes that the problem is complex and implementation will require adequate funding and further review of other state and private priorities. A study by a joint legislative committee will better enable the Legislature to cope with the many reservations expressed to bills introduced in this session. The findings and recommendations of the committee will make it possible for the Legislature to act on this important problem in the Regular Session of 1972.

Your Committee is in accord with the intent and purpose of **H. C. R. No. 106** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 961 Judiciary on H.R. No. 424

The purpose of this resolution is to request the Speaker of the House of Representatives to appoint and direct an interim committee to study the problem of pollution and its effect on the environment and report its findings to the House of Representatives.

Your Committee is aware that during this session and past sessions both houses of the Legislature have considered many bills and resolutions relating to the environment, and have found that immediate and comprehensive legislation is necessary to safeguard our natural resources and environment from further pollution and haphazard development. While the urgency for such legislation is appreciated, your Committee believes that the problem is complex and implementation will require adequate funding and further review of other state and private priorities. A study by a legislative committee will better enable the Legislature to cope with the many reservations expressed to bills introduced in this session. The findings and recommendations of the Committee will make it possible for that Legislature to act on this important problem in the Regular Session of 1972.

Your Committee is in accord with the intent and purpose of **H. R. No. 424** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 962 Education on S.C.R. No. 74

The purpose of this Resolution is to request the Department of Education to study the establishment of restructuring the public school schedule so as to provide for school sessions on a full year basis.

Your Committee upon consideration of this bill recommends amendments to **S. C. R. No. 74** and incorporates them into **S. C. R. No. 74, H. D. 1** to conform with **H. R. No. 116, H. D. 1** already adopted by the House.

The reason for the amendments is to let another agency study and analyze the proposal because its economic effects go beyond those of the Department of Education.

Your Committee concurs with the intent and purpose of **S. C. R. No. 74**, as amended, and recommends its adoption in the form attached hereto as **S. C. R. No. 74, H. D. 1**.

Signed by all members of the Committee.

SCRep. 963 Education on S.C.R. No. 72

The purpose of this Concurrent Resolution is to request the Department of Education to study the suggestions of the first annual state-wide High School Student Leaders' Conference and utilize recommended proposals, wherever possible and feasible, to improve and up-grade existing policies and programs.

Your Committee concurs with the intent and purpose of **S.C.R. No. 72** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 964 Education on H.R. No. 410

The purpose of this Resolution is to make headway into the development of after-school and weekend activities, including day-care programs by studying the question of personal liability arising from illnesses or injuries to children participating in such programs.

It is a well-aired opinion that school facilities can be better utilized to the advantage of the patrons of the school. Formation of programs as described by the resolution would not only mean using school facilities more ideally, but also and more importantly, be highly beneficial as added education outside

the formal classroom. Your Committee also recognizes that programs envisaged in this context will contribute to the focusing of after-school activities which so often are dispersed and disorganized. This, in turn, supplements a feeling of community in the community. The cost of these programs would be furnished by parents of participating children so that the State would not have to be burdened with further financial obligations.

Your Committee concurs with the intent and purpose of **H.R. No. 410** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 965 Public Health, Youth and General Welfare on H.R. No. 375

The purpose of this resolution is to request the Department of Health to conduct a comprehensive study of the nutrition and dietary habits of the residents of the state.

Your Committee is aware of the strong need for data on the prevalence and magnitude of nutrition-related problems in Hawaii and of the importance of learning more about the nutrition and health status, in particular, of high risk groups, such as infants and young children, women in the child-bearing age group, senior citizens, low-income groups, and in-migrants from the Pacific countries and the Mainland. Your Committee feels definite information should be available about the nutritional status of the population as a whole. Such information is not available for any large segments of the population in Hawaii and has never been available. Since Hawaii includes a variety of ethnic groups and has a unique physical and biological environment, as compared to the Mainland, published data on U. S. national surveys would not likely be similar to those of Hawaii. With definite information, coordinated nutrition program could be planned and nutrition-related health problems identified.

Your Committee has amended the resolution to request the University of Hawaii, School of Public Health, to work in an advisory capacity to the Department of Health. The School of Public Health has done some preliminary investigation in this area.

Your Committee on Public Health, Youth and General Welfare concurs with the intent

and purpose of **H. R. No. 375**, as amended herein, and recommends its adoption in the form attached hereto as **H. R. No. 375, H. D. 1.**

Signed by all members of the Committee.

SCRep. 966 Higher Education on **H.R. No. 413**

The purpose of this resolution is to commend the University of Hawaii for maintaining a strong and viable ROTC for the past 52 years. Your Committee takes legislative notice that the statements contained in the preamble of the resolution are indeed factual. The resolution further requests that the cadets in the ROTC program be recognized for participation in the program by reading of this resolution at the Governor's parade on April 20, 1971.

Your Committee concurs with the intent and purpose of **H. R. No. 413** and recommends its adoption.

Signed by all members of the Committee except Representative Takamine.

SCRep. 967 Housing and Consumer Protection on **H.R. No. 412**

The purpose of this Resolution is to lay the groundwork for legislation in the area of consumer credit by having an interim committee look into and evaluate the Uniform Consumer Credit Code. This code has been adopted and recommended by the National Conference of Commissioners on Uniform State Laws as well as the American Bar Association as the model for enactment of state laws in the area of consumer credit.

The concepts and principles related to the purposes of the Uniform Consumer Credit Code are being proposed in the Uniform Consumer Sales Practices Act. This act and the code itself foreshadow tougher and more explicit guidelines which currently do not exist relating to creditor-consumer relationships and the means to deal effectively with abusive practices in this area. As stated in the body of the resolution, "the comprehensive nature of these two measures, their relationship to federal-state relations, and their interrelationship necessitate detailed study and analysis."

Your Committee on Housing and Consumer Protection is in accord with the intent

and purpose of **H. R. No. 412** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 968 Finance on **H.R. No. 296**

The purpose of this resolution is to direct the legislative auditor to conduct a comprehensive study of the university of Hawaii's administrative policies, practices and procedures when contracting for services of consultants.

There are many problems involved in contracting for consultant services. The university, by virtue of its teaching aims, requires, in many instances, the services of outside specialists in certain fields to supplement the base of knowledge of its own faculty and staff. It is desirable to have procedures that are flexible, but yet meeting adequate standards of safeguards, notwithstanding that consultants' contracts may be technically exempt from the procedural requirements of chapter 103 and other statutory provisions.

Therefore, your Committee believes that the legislature is entitled to ascertain whether the university is being guided by the intent of public policies established to promote economy, to discourage or prevent favoritism, cronyism or cumshaw, to recognize the rights, preference and worth of qualified residents, and to assure that the public and beneficiaries of the programs get the most mileage out of the funds appropriated.

Your Committee on Finance concurs with the intent and purpose of **H. R. No. 296** and recommends its adoption.

Signed by all members of the Committee except Representative Fong Jr.

SCRep. 969 Finance on **S.C.R. No. 87**

The purpose of this concurrent resolution is to request the President of the Senate and the Speaker of the House of Representatives to appoint a joint legislative interim committee for the purpose of reviewing the implementation of planning, programming and budgeting in higher education, and report on its findings and recommendations to the 1972 Regular Session of the Legislature.

The joint interim committee on legislative review and organization, in its report to the Legislature, identified higher education as

being particularly deficient in the formulation of program objectives and effectiveness criteria by which accomplishments are to be measured. This is of grave concern to your Committee, because higher education is a critical and major program area which will require a concerted implementation effort if the new budgeting concepts are to be successfully executed.

The initial proper formulation of these elements, along with other structural components of PPB, is crucial to the successful application of PPB to higher education programs. It is the belief of your Committee that we must now ensure that the specifications will be met and that the results, by 1973, will be by a system by which the Legislature will be able to make improved program decisions.

Your Committee on Finance concurs with the intent and purpose of **S. C. R. No. 87** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 970 Finance on S.C.R. No. 88

The purpose of this concurrent resolution is to request the President of the Senate and the Speaker of the House of Representatives to appoint a joint interim committee to examine the implementation of planning-programming-budgeting system in the department of education, and to report its findings to the Legislature twenty days prior to the convening of the Regular Session of 1972.

Since 1967, a joint interim committee has been working with the department of education in developing a new budget request format reflecting the planning-programming-budgeting approach, and, although beginning progress has been good, your Committee finds that there are shortcomings and a need for improvement.

In 1970, a joint interim committee, in **Spec. Com. Rep. No. 3**, recommended that a joint interim committee be appointed to continue to work with the department of education for the full implementation of the planning-programming-budgeting approach, and your Committee believes that it is imperative that the department continue to work towards full implementation of this approach in order that the legislature may gain a better insight of educational programs to effectuate relevant and practicable legislation.

Your Committee on Finance concurs with the intent and purpose of **S. C. R. No. 88** and recommends its adoption.

Signed by all members of the Committee except Representative Fong Jr.

SCRep. 971 Lands on S.C.R. No. 86

The purpose of this resolution is to request the Department of Land and Natural Resources and the Department of Transportation jointly, to provide for aquatic sports facilities. These facilities are to be located in the area of Seaplane Runway 14-32, Diamond Head of the Bascule Bridge at Kapalama Basin. It is the intent of the resolution that these facilities be incorporated concurrently with the development of the first increment of the Beach Park at Anuenue.

Your Committee agrees that present facilities for aquatic sports are grossly inadequate to meet the needs and demands of the community. Public lands that can be developed to provide facilities for aquatic sports should be so developed in the most expeditious manner possible.

Your Committee on Lands is in accord with the intent and purpose of **S. C. R. No. 86** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 972 Hawaiian Homes on H.R. No. 417

The purpose of this resolution is to request the Department of Hawaiian Home Lands to hold public hearings at the time of formation of development plans or making policy changes, and to publish notice of these hearings.

Your Committee is aware of the public's concern with respect to the development of the Department of Hawaiian Home Lands' policies. The fundamental concept of participatory democracy requires that those interested have a right to know and to effect the formation or amendment of the Department's policies. Such action by the Department is important to those residents who are presently lessees or those who might other-

wise qualify as lessees. As such, these individuals should be entitled to be heard on issues vitally effecting their interests.

Your Committee on Hawaiian Homes concurs with the intent and purpose of **H. R. No. 417** recommends its adoption.

Signed by all members of the Committee.

SCRep. 973 Hawaiian Homes on H.R. No. 425

The purpose of this resolution is to request the Speaker of the House of Representatives to appoint an interim committee to study the present use, character and inventory of lands within the Hawaiian Homes Program. The intent of the study is to ascertain whether the needs of the program are being met.

Your Committee on Hawaiian Homes is in accord with the intent and purpose of **H. R. No. 425** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 974 Judiciary on S.C.R. No. 90

The purpose of this Senate Concurrent Resolution is to request an interim committee to study **H. B. No. 20, H. D. 1, S. D. 1**, relating to the Hawaii Penal Code.

Your Committee on Judiciary concurs with the intent and purpose of **S. C. R. No. 90** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 975 Finance on H.R. No. 423

The purpose of this resolution is to request the Department of Transportation to proceed with studies, plans and implementation of an advanced airport to Waikiki water transportation system with due regard for the convenience, safety and acceptance by the public, and to report on its progress to the Legislature.

Your Committee on Finance concurs with

the intent and purpose of **H. R. No. 423** and recommends its adoption.

Signed by all members of the Committee except Representatives Inaba and Fong.

SCRep. 976 Tourism on H.R. No. 422

The purpose of this Resolution is to request the Hawaii Visitors Bureau to work in cooperation with the Hula Bowl Committee in exploring ways and means of utilizing the half-time program of the Hula Bowl to further the purposes of the Hawaii Visitors Bureau.

Your Committee acknowledges the promotional potential of the half-time activities of the Hula Bowl Game seen live on television via satellite by millions of fans throughout the mainland, including hundreds of thousands of snowbound football fans, who have been attracted by the growing stature of the Hula Bowl Game. Your Committee has been impressed with the quality of the half-time presentations to date, and has noted that the 1971 production in particular received national acclaim. These half-time activities provide a relatively inexpensive means for promoting the virtues of Hawaii, and the corollary, a vacation in Hawaii. Your Committee finds that it is to the best interest of the State for the Hawaii Visitors Bureau to participate in this attraction in order to help provide a program which will continue to stimulate visitor interest.

Your Committee concurs with the intent and purpose of **H. R. No. 422** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 977 Legislative Management Informing the House that House Resolution Nos. 418 to 429, Senate Bill 600, Senate Draft 2, House Draft 2, and Standing Committee Report Nos. 954 to 976, have been printed and distributed.

Signed by all members of the Committee.