

SCRep. No. 325-72 Lands on **H. B. No. 2337-72**

The purpose of this bill is to appropriate funds for a statewide program of wildlife importation. The program will insure the continued availability of game species in Hawaii.

Your Committee on Lands is in accord with the intent and purpose of **H. B. No. 2337-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 326-72 Lands on **H. B. No. 2528-72**

The purpose of this bill is to appropriate funds to the Department of Land and Natural Resources to make a study on the possibility of creating sediment or silt basins throughout the State. Rather than control sediment or silt at the source of its production as in the past, your Committee finds that possibly a more natural and effective way is through the use of these basins for erosion control. Currently, the Maui Land and Pineapple Company, in cooperation with the Federal government, State of Hawaii and Maui County, is developing a similar plan on the West Side of Maui; the direct dollar outlay is borne by the Federal government.

Your Committee on Lands is in accord with the intent and purpose of **H. B. No. 2528-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 327-72 Select Committee of Oahu Representatives on **H. B. No. 2392-72**

The purpose of this bill is to serve the public interest by providing for regulation of taxicab owners and establishing standards of conduct applicable to the taxicab industry and its operations within the City and County of Honolulu.

The taxicab industry has always played a vital and integral part in the functioning of the transportation system of the City and County of Honolulu and consequently the State. The industry therefore is vested with a public interest and must be held to high standards of conduct in its operations.

Your Select Committee of Oahu Representatives is in accord with the intent and purpose of **H. B. No. 2392-72** and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all member of the Committee.

SCRep. No. 328-72 Judiciary on **H. B. No. 2040-72**

The purpose of this bill is to amend the Hawaii Revised Statutes so as to eliminate inconsistencies with the rules of court; delete outmoded provisions; make improvements of a technical nature; and transfer procedural matters to rules of court where advisable. This bill is the product of work done by the Committee on Coordination of Rules and Statutes appointed pursuant to appropriations made for the Judicial Branch, Office of Administrative Director of Courts, by Act 154, L. 1969, Act 175, L. 1970, and Act 68, L. 1971 and your Joint Interim Committee appointed pursuant to **H. C. R. No. 24, H. D. 1, L. 1971**.

Comprehensive updating and unifying of statutes is long overdue in Hawaii. Obsolete civil procedure provisions dating from legislative acts of 1869 are now to be found in our statutes. When the Hawaii Rules of Civil Procedure were adopted, revision became a critical need. While many other states have permanent law revision commissions the work undertaken by the Committee on Coordination and the Joint Interim Committee is the first comprehensive revision of statutory procedural provisions of Hawaii in this century.

This bill, along with other bills relating to the statutory revision program—namely, **House Bills 2041-72, 2042-72, 2043-72, 2044-72, 2045-72, 2046-72, 2047-72, 2048-72, 2049-72, 2050-72, 2051-72, 2052-72, 2053-72, 2054-72, 2055-72, 2056-72, 2057-72, 2058-72, 2059-72, 2060-72, 2061-72, 2062-72, 2063-72, 2064-72, 2065-72** and **2066-72**—is the culmination of work not lightly undertaken. The Committee on Coordination met regularly at least once a month for two years with Rhoda V. Lewis, former Supreme Court Justice, as the Reporter. The Joint Interim Committee carefully considered **The Report of the Committee of Coordination of Rules and Statutes** in thirteen meetings and revised the recommendations

set forth in **The Report** to read as this bill and other bills above cited, relating to the statutory revision program.

Your Committee on Judiciary incorporates by reference, insofar as it is applicable to this bill, **Special Committee Report No. 9, L. 1972**, prepared by the Joint Interim Committee to Receive and Report on the Statutory Revision Program of the Committee on Coordination of Rules and Statutes pursuant to **H. C. R. No. 24, H. D. 1**, Sixth Legislature, 1971. An in-depth understanding of the amendments proposed to the Hawaii Revised Statutes by this bill, along with other bills relating to the statutory revision program, is to be found in **Special Committee Report No. 9, L. 1972**, and the exhibits appended to **Special Committee Report No. 9** entitled **Volume I, Volume II, Volume III**, and **The Supplementary Report of The Report of the Committee on Coordination of Rules and Statutes**.

Your Committee finds the reporter's notes in **The Report of The Committee on Coordination** generally helpful, though they are not necessarily the views of your Committee. Your Committee further finds that the notes and explanations in House **Special Committee Report No. 9, L. 1972**, do reflect the views of your Committee.

Your Committee held a hearing on **H. B. No. 2040-72** and concurs with the proposed amendments to the Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2040-72** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 329-72 Judiciary on **H. B. No. 2041-72**

The purpose of this bill is to amend the Hawaii Revised Statutes so as to eliminate inconsistencies with the rules of court; delete outmoded provisions; make improvements of a technical nature; and transfer procedural matters to rules of court where advisable. This bill is the product of work done by the Committee on Coordination of Rules and Statutes appointed pursuant to appropriations made for the Judicial Branch, Office of Administrative Director of Courts, by Act 154, L. 1969, Act 175, L. 1970 and Act 68,

L. 1971 and your Joint Interim Committee appointed pursuant to **H. C. R. No. 24, H. D. 1, L. 1971**.

Comprehensive updating and unifying of statutes is long overdue in Hawaii. Obsolete civil procedure provisions dating from legislative acts of 1869 are now to be found in our statutes. When the Hawaii Rules of Civil Procedure were adopted, revision became a critical need. While many other states have permanent law revision commissions, the work undertaken by the Committee on Coordination and the Joint Interim Committee is the first comprehensive revision of statutory procedural provisions of Hawaii in this century.

This bill, along with other bills relating to the statutory revision program—namely, **House Bills 2040-72, 2042-72, 2043-72, 2044-72, 2045-72, 2046-72, 2047-72, 2048-72, 2049-72, 2050-72, 2051-72, 2052-72, 2053-72, 2054-72, 2055-72, 2056-72, 2057-72, 2058-72, 2059-72, 2060-72, 2061-72, 2062-72, 2063-72, 2064-72, 2065-72** and **2066-72**—is the culmination of work not lightly undertaken. The Committee on Coordination met regularly at least once a month for two years with Rhoda V. Lewis, former Supreme Court Justice, as the Reporter. The Joint Interim Committee carefully considered **The Report of the Committee of Coordination of Rules and Statutes** in thirteen meetings and revised the recommendations set forth in **The Report** to read as this bill and other bills above cited, relating to the statutory revision program.

Your Committee on Judiciary incorporates by reference, insofar as it is applicable to this bill, **Special Committee Report No. 9, L. 1972**, prepared by the Joint Interim Committee to Receive and Report on the Statutory Revision Program of the Committee on Coordination of Rules and Statutes pursuant to **H. C. R. No. 24, H. D. 1**, Sixth Legislature, 1971. An in-depth understanding of the amendments proposed to the Hawaii Revised Statutes by this bill, along with other bills relating to the statutory revision program, is to be found in **Special Committee Report No. 9, L. 1972**, and the exhibits appended to **Special Committee Report No. 9** entitled **Volume I, Volume II, Volume III**, and **The Supplementary Report of The Report of the Committee on Coordination of Rules and Statutes**.

Your Committee finds the reporter's notes in **The Report of The Committee on Coordination** generally helpful, though they are not necessarily the views of your Committee. Your Committee further finds that the notes and explanations in House **Special Committee Report No. 9, L. 1972**, do reflect the views of your Committee.

Your Committee held a hearing on **H. B. No. 2041-72** and concurs with the proposed amendments to the Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2041-72** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 330-72 Judiciary on **H. B. No. 2042-72**

The purpose of this bill is to amend the Hawaii Revised Statutes so as to eliminate inconsistencies with the rules of court; delete outmoded provisions; make improvements of a technical nature; and transfer procedural matters to rules of court where advisable. This bill is the product of work done by the Committee on Coordination of Rules and Statutes appointed pursuant to appropriations made for the Judicial Branch, Office of Administrative Director of Courts, by Act 154, L. 1969, Act 175, L. 1970, and Act 68, L. 1971 and your Joint Interim Committee appointed pursuant to **H. C. R. No. 24, H. D. 1, L. 1971**.

Comprehensive updating and unifying of statutes is long overdue in Hawaii. Obsolete civil procedure provisions dating from legislative acts of 1869 are now to be found in our statutes. When the Hawaii Rules of Civil Procedure were adopted, revision became a critical need. While many other states have permanent law revision commissions, the work undertaken by the Committee on Coordination and the Joint Interim Committee is the first comprehensive revision of statutory procedural provisions of Hawaii in this century.

This bill, along with other bills relating to the statutory revision program—namely, **House Bills 2040-72, 2041-72, 2043-72, 2044-72, 2045-72, 2046-72, 2047-72, 2048-72, 2049-72, 2050-72, 2051-72, 2052-72, 2053-72, 2054-72, 2055-72, 2056-72, 2057-**

72, 2058-72, 2059-72, 2060-72, 2061-72, 2062-72, 2063-72, 2064-72, 2065-72 and 2066-72—is the culmination of work not lightly undertaken. The Committee on Coordination met regularly at least once a month for two years with Rhoda V. Lewis, former Supreme Court Justice, as the Reporter. The Joint Interim Committee carefully considered **The Report of the Committee of Coordination of Rules and Statutes** in thirteen meetings and revised the recommendations set forth in **The Report** to read as this bill and other bills above cited, relating to the statutory revision program.

Your Committee on Judiciary incorporates by reference, insofar as it is applicable to this bill, **Special Committee Report No. 9, L. 1972**, prepared by the Joint Interim Committee to Receive and Report on the Statutory Revision Program of the Committee on Coordination of Rules and Statutes pursuant to **H. C. R. No. 24, H. D. 1**, Sixth Legislature, 1971. An in-depth understanding of the amendments proposed to the Hawaii Revised Statutes by this bill, along with other bills relating to the statutory revision program, is to be found in **Special Committee Report No. 9, L. 1972**, and the exhibits appended to **Special Committee Report No. 9** entitled **Volume I, Volume II, Volume III, and The Supplementary Report of The Report of the Committee on Coordination of Rules and Statutes**.

Your Committee finds the reporter's notes in **The Report of The Committee on Coordination** generally helpful, though they are not necessarily the views of your Committee. Your Committee further finds that the notes and explanations in House **Special Committee Report No. 9, L. 1972**, do reflect the views of your Committee.

Your Committee held a hearing on **H. B. No. 2042-72** and concurs with the proposed amendments to the Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2042-72** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 331-72 Judiciary on **H. B. No. 2043-72**

The purpose of this bill is to amend the Hawaii Revised Statutes so as to eliminate inconsistencies with the rules of court; delete outmoded provisions; make improvements of a technical nature; and transfer procedural matters to rules of court where advisable. This bill is the product of work done by the Committee on Coordination of Rules and Statutes appointed pursuant to appropriations made for the Judicial Branch, Office of Administrative Director of Courts, by Act 154, L. 1969, Act 175, L. 1970, and Act 68, L. 1971 and your Joint Interim Committee appointed pursuant to H. C. R. No. 24, H. D. 1, L. 1971.

Comprehensive updating and unifying of statutes is long overdue in Hawaii. Obsolete civil procedure provisions dating from legislative acts of 1869 are now to be found in our statutes. When the Hawaii Rules of Civil Procedure were adopted, revision became a critical need. While many other states have permanent law revision commissions, the work undertaken by the Committee on Coordination and the Joint Interim Committee is the first comprehensive revision of statutory procedural provisions of Hawaii in this century.

This bill, along with other bills relating to the statutory revision program—namely, **House Bills 2040-72, 2041-72, 2042-72, 2044-72, 2045-72, 2046-72, 2047-72, 2048-72, 2049-72, 2050-72, 2051-72, 2052-72, 2053-72, 2054-72, 2055-72, 2056-72, 2057-72, 2058-72, 2059-72, 2060-72, 2061-72, 2062-72, 2063-72, 2064-72, 2065-72, and 2066-72**—is the culmination of work not lightly undertaken. The Committee on Coordination met regularly at least once a month for two years with Rhoda V. Lewis, former Supreme Court Justice, as the Reporter. The Joint Interim Committee carefully considered **The Report of the Committee of Coordination of Rules and Statutes** in thirteen meetings and revised the recommendations set forth in **The Report** to read as this bill and other bills above cited, relating to the statutory revision program.

Your Committee on Judiciary incorporates by reference, insofar as it is applicable to this bill, **Special Committee Report No. 9, L. 1972**, prepared by the Joint Interim Committee to Receive and Report on the Statutory Revision Program of the Committee on Coordination of Rules and Statutes pursuant to H. C. R. No. 24, H. D. 1, Sixth Legislature, 1971. An in-depth understanding of the

amendments proposed to the Hawaii Revised Statutes by this bill, along with other bills relating to the statutory revision program, is to be found in **Special Committee Report No. 9, L. 1972**, and the exhibits appended to **Special Committee Report No. 9** entitled **Volume I, Volume II, Volume III, and The Supplementary Report of The Report of the Committee on Coordination of Rules and Statutes**.

Your Committee further finds that the notes and explanations in House **Special Committee Report No. 9, L. 1972**, do reflect the views of your Committee except for the following amendment.

Your Committee amended subsection (1) (n) of **H. B. 2043-72**, relating to communications to clergy, by deleting the word “confession” and inserting in lieu thereof the words “confidential communication”. This amendment is for purposes of clarity consistent with the original provision’s intent. Your committee finds that the word “confession” has judicial, religious, and other extrajudicial meanings which may cause uncertainty in its interpretation. Your Committee believes that the spirit of our constitutional guarantee, the free exercise of religion, warrants a clergyman of any church or religious denomination an evidentiary privilege for any confidential communication made to him in his professional character.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2043-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 2043-72, H. D. 1**, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 332-72 Judiciary on H. B. No. 2044-72

The purpose of this bill is to amend the Hawaii Revised Statutes so as to eliminate inconsistencies with the rules of court; delete outmoded provisions; make improvements of a technical nature; and transfer procedural matters to rules of court where advisable. This bill is the product of work done by the Committee on Coordination of Rules and Statutes appointed pursuant to appropriations made for the Judicial Branch, Office of Administrative Director of Courts, by Act 154, L. 1969, Act 175, L. 1970, and Act 68.

L. 1971 and your Joint Interim Committee appointed pursuant to H. C. R. No. 24, H. D. 1, L. 1971.

Comprehensive updating and unifying of statutes is long overdue in Hawaii. Obsolete civil procedure provisions dating from legislative acts of 1869 are now to be found in our statutes. When the Hawaii Rules of Civil Procedure were adopted, revision became a critical need. While many other states have permanent law revision commissions, the work undertaken by the Committee on Coordination and the Joint Interim Committee is the first comprehensive revision of statutory procedural provisions of Hawaii in this century.

This bill, along with other bills relating to the statutory revision program—namely, House Bills 2040-72, 2041-72, 2042-72, 2043-72, 2045-72, 2046-72, 2047-72, 2048-72, 2049-72, 2050-72, 2051-72, 2052-72, 2053-72, 2054-72, 2055-72, 2056-72, 2057-72, 2058-72, 2059-72, 2060-72, 2061-72, 2062-72, 2063-72, 2064-72, 2065-72 and 2066-72—is the culmination of work not lightly undertaken. The Committee on Coordination met regularly at least once a month for two years with Rhoda V. Lewis, former Supreme Court Justice, as the Reporter. The Joint Interim Committee carefully considered **The Report of the Committee of Coordination of Rules and Statutes** in thirteen meetings and revised the recommendations set forth in **The Report** to read as this bill and other bills above cited, relating to the statutory revision program.

Your Committee on Judiciary incorporates by reference, insofar as it is applicable to this bill, **Special Committee Report No. 9, L. 1972**, prepared by the Joint Interim Committee to Receive and Report on the Statutory Revision Program of the Committee on Coordination of Rules and Statutes pursuant to H. C. R. No. 24, H. D. 1, Sixth Legislature, 1971. An in-depth understanding of the amendments proposed to the Hawaii Revised Statutes by this bill, along with other bills relating to the statutory revision program, is to be found in **Special Committee Report No. 9, L. 1972**, and the exhibits appended to **Special Committee Report No. 9** entitled **Volume I, Volume II, Volume III, and The Supplementary Report of The Report of the Committee on Coordination of Rules and Statutes**.

Your Committee finds the reporter's notes in **The Report of The Committee on Coordination** generally helpful, though they are not necessarily the views of your Committee. Your Committee further finds that the notes and explanations in House **Special Committee Report No. 9, L. 1972**, do reflect the views of your Committee.

Your Committee held a hearing on H. B. No. 2044-72 and concurs with the proposed amendments to the Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 2044-72 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 Judd.

SCRep. No. 333-72 Judiciary on H. B. No. 2045-72

The purpose of this bill is to amend the Hawaii Revised Statutes so as to eliminate inconsistencies with the rules of court; delete outmoded provisions; make improvements of a technical nature; and transfer procedural matters to rules of court where advisable. This bill is the product of work done by the Committee on Coordination of Rules and Statutes appointed pursuant to appropriations made for the Judicial Branch, Office of Administrative Director of Courts, by Act 154, L. 1969, Act 175, L. 1970, and Act 68, L. 1971 and your Joint Interim Committee appointed pursuant to H. C. R. No. 24, H. D. 1, L. 1971.

Comprehensive updating and unifying of statutes is long overdue in Hawaii. Obsolete civil procedure provisions dating from legislative acts of 1869 are now to be found in our statutes. When the Hawaii Rules of Civil Procedure were adopted, revision became a critical need. While many other states have permanent law revision commissions, the work undertaken by the Committee on Coordination and the Joint Interim Committee is the first comprehensive revision of statutory procedural provisions of Hawaii in this century.

This bill, along with other bills relating to the statutory revision program—namely, House Bills 2040-72, 2041-72, 2042-72, 2043-72, 2044-72, 2046-72, 2047-72, 2048-72, 2049-72, 2050-72, 2051-72, 2052-72,

2053-72, 2054-72, 2055-72, 2056-72, 2057-72, 2058-72, 2059-72, 2060-72, 2061-72, 2062-72, 2063-72, 2064-72, 2065-72 and 2066-72—is the culmination of work not lightly undertaken. The Committee on Coordination met regularly at least once a month for two years with Rhoda V. Lewis, former Supreme Court Justice, as the Reporter. The Joint Interim Committee carefully considered **The Report of the Committee of Coordination of Rules and Statutes** in thirteen meetings and revised the recommendations set forth in **The Report** to read as this bill and other bills above cited, relating to the statutory revision program.

Your Committee on Judiciary incorporates by reference, insofar as it is applicable to this bill, **Special Committee Report No. 9, L. 1972**, prepared by the Joint Interim Committee to Receive and Report on the Statutory Revision Program of the Committee on Coordination of Rules and Statutes pursuant to **H. C. R. No. 24, H. D. 1**, Sixth Legislature, 1971. An in-depth understanding of the amendments proposed to the Hawaii Revised Statutes by this bill, along with other bills relating to the statutory revision program, is to be found in **Special Committee Report No. 9, L. 1972**, and the exhibits appended to **Special Committee Report No. 9** entitled **Volume I, Volume II, Volume III**, and **The Supplementary Report of The Report of the Committee on Coordination of Rules and Statutes**.

Your Committee finds the reporter's notes in **The Report of The Committee on Coordination** generally helpful, though they are not necessarily the views of your Committee. Your Committee further finds that the notes and explanations in House **Special Committee Report No. 9, L. 1972**, do reflect the views of your Committee.

Your Committee held a hearing on **H. B. No. 2045-72** and concurs with the proposed amendments to the Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2045-72** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 334-72 Judiciary on **H. B. No. 2046-72**

The purpose of this bill is to amend the Hawaii Revised Statutes so as to eliminate inconsistencies with the rules of court; delete outmoded provisions; make improvements of a technical nature; and transfer procedural matters to rules of court where advisable. This bill is the product of work done by the Committee on Coordination of Rules and Statutes appointed pursuant to appropriations made for the Judicial Branch, Office of Administrative Director of Courts, by Act 154, L. 1969, Act 175, L. 1970, and Act 68, L. 1971 and your Joint Interim Committee appointed pursuant to **H. C. R. No. 24, H. D. 1, L. 1971**.

Comprehensive updating and unifying of statutes is long overdue in Hawaii. Obsolete civil procedure provisions dating from legislative acts of 1869 are now to be found in our statutes. When the Hawaii Rules of Civil Procedure were adopted, revision became a critical need. While many other states have permanent law revision commissions, the work undertaken by the Committee on Coordination and the Joint Interim Committee is the first comprehensive revision of statutory procedural provisions of Hawaii in this century.

This bill, along with other bills relating to the statutory revision program—namely, **House Bills 2040-72, 2041-72, 2042-72, 2043-72, 2044-72, 2045-72, 2047-72, 2048-72, 2049-72, 2050-72, 2051-72, 2052-72, 2053-72, 2054-72, 2055-72, 2056-72, 2057-72, 2058-72, 2059-72, 2060-72, 2061-72, 2062-72, 2063-72, 2064-72, 2065-72 and 2066-72**—is the culmination of work not lightly undertaken. The Committee on Coordination met regularly at least once a month for two years with Rhoda V. Lewis, former Supreme Court Justice, as the Reporter. The Joint Interim Committee carefully considered **The Report of the Committee of Coordination of Rules and Statutes** in thirteen meetings and revised the recommendations set forth in **The Report** to read as this bill and other bills above cited, relating to the statutory revision program.

Your Committee on Judiciary incorporates by reference, insofar as it is applicable to this bill, **Special Committee Report No. 9, L. 1972**, prepared by the Joint Interim Committee to Receive and Report on the Statutory Revision Program of the Committee on Coordination of Rules and Statutes pursuant to **H. C. R. No. 24, H. D. 1**, Sixth Legislature, 1971. An in-depth understanding of the

amendments proposed to the Hawaii Revised Statutes by this bill, along with other bills relating to the statutory revision program, is to be found in **Special Committee Report No. 9, L. 1972**, and the exhibits appended to **Special Committee Report No. 9** entitled **Volume I, Volume II, Volume III, and The Supplementary Report of The Report of the Committee on Coordination of Rules and Statutes**.

Your Committee finds the reporter's notes in **The Report of The Committee on Coordination** generally helpful, though they are not necessarily the views of your Committee. Your Committee further finds that the notes and explanations in House **Special Committee Report No. 9, L. 1972**, do reflect the views of your Committee.

Your Committee held a hearing on **H. B. No. 2046-72** and concurs with the proposed amendments to the Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2046-72** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 335-72 Judiciary on **H. B. No. 2047-72**

The purpose of this bill is to amend the Hawaii Revised Statutes so as to eliminate inconsistencies with the rules of court; delete outmoded provisions; make improvements of a technical nature; and transfer procedural matters to rules of court where advisable. This bill is the product of work done by the Committee on Coordination of Rules and Statutes appointed pursuant to appropriations made for the Judicial Branch, Office of Administrative Director of Courts, by Act 154, L. 1969, Act 175, L. 1970, and Act 68, L. 1971 and your Joint Interim Committee appointed pursuant to **H. C. R. No. 24, H. D. 1, L. 1971**.

Comprehensive updating and unifying of statutes is long overdue in Hawaii. Obsolete civil procedure provisions dating from legislative acts of 1869 are now to be found in our statutes. When the Hawaii Rules of Civil Procedure were adopted, revision became a critical need. While many other states have permanent law revision commissions, the work undertaken by the Committee on Coordination

and the Joint Interim Committee is the first comprehensive revision of statutory procedural provisions of Hawaii in this century.

This bill, along with other bills relating to the statutory revision program—namely, **House Bills 2040-72, 2041-72, 2042-72, 2043-72, 2044-72, 2045-72, 2046-72, 2048-72, 2049-72, 2050-72, 2051-72, 2052-72, 2053-72, 2054-72, 2055-72, 2056-72, 2057-72, 2058-72, 2059-72, 2060-72, 2061-72, 2062-72, 2063-72, 2064-72, 2065-72** and **2066-72**—is the culmination of work not lightly undertaken. The Committee on Coordination met regularly at least once a month for two years with Rhoda V. Lewis, former Supreme Court Justice, as the Reporter. The Joint Interim Committee carefully considered **The Report of the Committee of Coordination of Rules and Statutes** in thirteen meetings and revised the recommendations set forth in **The Report** to read as this bill and other bills above cited, relating to the statutory revision program.

Your Committee on Judiciary incorporates by reference, insofar as it is applicable to this bill, **Special Committee Report No. 9, L. 1972**, prepared by the Joint Interim Committee to Receive and Report on the Statutory Revision Program of the Committee on Coordination of Rules and Statutes pursuant to **H. C. R. No. 24, H. D. 1**, Sixth Legislature, 1971. An in-depth understanding of the amendments proposed to the Hawaii Revised Statutes by this bill, along with other bills relating to the statutory revision program, is to be found in **Special Committee Report No. 9, L. 1972**, and the exhibits appended to **Special Committee Report No. 9** entitled **Volume I, Volume II, Volume III, and The Supplementary Report of The Report of the Committee on Coordination of Rules and Statutes**.

Your Committee finds the reporter's notes in **The Report of The Committee on Coordination** generally helpful, though they are not necessarily the views of your Committee. Your Committee further finds that the notes and explanations in House **Special Committee Report No. 9, L. 1972**, do reflect the views of your Committee.

Your Committee held a hearing on **H. B. No. 2047-72** and concurs with the proposed amendments to the Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2047-72** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 336-72 Judiciary on **H. B. No. 2048-72**

The purpose of this bill is to amend the Hawaii Revised Statutes so as to eliminate inconsistencies with the rules of court; delete outmoded provisions; make improvements of a technical nature; and transfer procedural matters to rules of court where advisable. This bill is the product of work done by the Committee on Coordination of Rules and Statutes appointed pursuant to appropriations made for the Judicial Branch, Office of Administrative Director of Courts, by Act 154, L. 1969, Act 175, L. 1970, and Act 68, L. 1971 and your Joint Interim Committee appointed pursuant to **H. C. R. No. 24, H. D. 1, L. 1971**.

Comprehensive updating and unifying of statutes is long overdue in Hawaii. Obsolete civil procedure provisions dating from legislative acts of 1869 are now to be found in our statutes. When the Hawaii Rules of Civil Procedure were adopted, revision became a critical need. While many other states have permanent law revision commissions, the work undertaken by the Committee on Coordination and the Joint Interim Committee is the first comprehensive revision of statutory procedural provisions of Hawaii in this century.

This bill, along with other bills relating to the statutory revision program—namely, **House Bills 2040-72, 2041-72, 2042-72, 2043-72, 2044-72, 2045-72, 2046-72, 2047-72, 2049-72, 2050-72, 2051-72, 2052-72, 2053-72, 2054-72, 2055-72, 2056-72, 2057-72, 2058-72, 2059-72, 2060-72, 2061-72, 2062-72, 2063-72, 2064-72, 2065-72** and **2066-72**—is the culmination of work not lightly undertaken. The Committee on Coordination met regularly at least once a month for two years with Rhoda V. Lewis, former Supreme Court Justice, as the Reporter. The Joint Interim Committee carefully considered **The Report of the Committee of Coordination of Rules and Statutes** in thirteen meetings and revised the recommendations

set forth in **The Report** to read as this bill and other bills above cited, relating to the statutory revision program.

Your Committee on Judiciary incorporates by reference, insofar as it is applicable to this bill, **Special Committee Report No. 9, L. 1972**, prepared by the Joint Interim Committee to Receive and Report on the Statutory Revision Program of the Committee on Coordination of Rules and Statutes pursuant to **H. C. R. No. 24, H. D. 1**, Sixth Legislature, 1971. An in-depth understanding of the amendments proposed to the Hawaii Revised Statutes by this bill, along with other bills relating to the statutory revision program, is to be found in **Special Committee Report No. 9, L. 1972**, and the exhibits appended to **Special Committee Report No. 9** entitled **Volume I, Volume II, Volume III, and The Supplementary Report of The Report of the Committee on Coordination of Rules and Statutes**.

Your Committee finds the reporter's notes in **The Report of The Committee on Coordination** generally helpful, though they are not necessarily the views of your Committee. Your Committee further finds that the notes and explanations in House **Special Committee Report No. 9, L. 1972**, do reflect the views of your Committee except for the following amendment.

Your Committee amended subsection (2) (h) of **H. B. No. 2048-72**, relating to enforcement of right to contribution, to read as follows:

(a) A pleader may, as provided by the rules of court, bring in as a third-party defendant a person not a party to the action who is or may be liable to him or to the person claiming against him, for all or part of the claim asserted against him in the action, whether or not liability for the claim is admitted by the pleader. A third-party defendant is bound by the adjudication of the third-party plaintiff's liability to the plaintiff as well as of his own liability to the plaintiff or to the third-party plaintiff.

(b) A pleader may either (1) state as a cross-claim against a co-party any claim that the co-party is or may be liable to the cross-claimant for all or part of a claim asserted in the action against the cross-claimant; or (2) move for judgment for contribution against any other joint judgment debtor, where in a single action a judgment has been entered

against joint tortfeasors one of whom has discharged the judgment by payment or has paid more than his pro rata share thereof. If relief can be obtained as provided in this paragraph no independent action shall be maintained to enforce the claim for contribution.

(c) As among joint tortfeasors who in a single action are judged to be such, the last paragraph of Section 663-12 applies only if the issue of proportionate fault is litigated between them by pleading in that action.

The amendment is made to conform to the adoption of a new Rule 14 of the Hawaii Rules of Civil Procedure relating to third-party practice proposed by the Rules Revision Committee. The first fifteen lines and the second paragraph of our present **H. R. S. Section 663-17** is omitted as it would be covered by the proposed new language in subsection (a) and the revised rule. While the rule does not contain the words "or to the third-party plaintiff", it does contain the important words "or to the plaintiff". Except as noted, the omitted sentence at the end of the first paragraph of the statutes would be covered by the proposed new language and rule. The next to the last paragraph of our existing Section 663-17 is omitted as unnecessary since the matter is fully covered by the rules of court. The change in the last paragraph is due to the circumstance that the plaintiff is not obliged to plead directly against the third-party defendant.

Your Committee notes that the amendments made are not to be deemed prejudicial to third-party practice in regard to claims other than under the title of Uniform Contribution Among Tortfeasors Act.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2048-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. 2048-72, H. D. 1** and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 337-72 Judiciary on **H. B. No. 2049-72**

The purpose of this bill is to amend the Hawaii Revised Statutes so as to eliminate inconsistencies with the rules of court; delete outmoded provisions; make improvements of

a technical nature; and transfer procedural matters to rules of court where advisable. This bill is the product of work done by the Committee on Coordination of Rules and Statutes appointed pursuant to appropriations made for the Judicial Branch, Office of Administrative Director of Courts, by Act 154, L. 1969, Act 175, L. 1970, and Act 68, L. 1971 and your Joint Interim Committee appointed pursuant to **H. C. R. No. 24, H. D. 1, L. 1971**.

Comprehensive updating and unifying of statutes is long overdue in Hawaii. Obsolete civil procedure provisions dating from legislative acts of 1869 are now to be found in our statutes. When the Hawaii Rules of Civil Procedure were adopted, revision became a critical need. While many other states have permanent law revision commissions, the work undertaken by the Committee on Coordination and the Joint Interim Committee is the first comprehensive revision of statutory procedural provisions of Hawaii in this century.

This bill, along with other bills relating to the statutory revision program—namely, **House Bills 2040-72, 2041-72, 2042-72, 2043-72, 2044-72, 2045-72, 2046-72, 2047-72, 2048-72, 2050-72, 2051-72, 2052-72, 2053-72, 2054-72, 2055-72, 2056-72, 2057-72, 2058-72, 2059-72, 2060-72, 2061-72, 2062-72, 2063-72, 2064-72, 2065-72, and 2066-72**—is the culmination of work not lightly undertaken. The Committee on Coordination met regularly at least once a month for two years with Rhoda V. Lewis, former Supreme Court Justice, as the Reporter. The Joint Interim Committee carefully considered **The Report of the Committee of Coordination of Rules and Statutes** in thirteen meetings and revised the recommendations set forth in **The Report** to read as this bill and other bills above cited, relating to the statutory revision program.

Your Committee on Judiciary incorporates by reference, insofar as it is applicable to this bill, **Special Committee Report No. 9, L. 1972**, prepared by the Joint Interim Committee to Receive and Report on the Statutory Revision Program of the Committee on Coordination of Rules and Statutes pursuant to **H. C. R. No. 24, H. D. 1**, Sixth Legislature, 1971. An in-depth understanding of the amendments proposed to the Hawaii Revised Statutes by this bill, along with other bills relating to the statutory revision program, is to be found in **Special Committee Report**

No. 9, L. 1972, and the exhibits appended to **Special Committee Report No. 9** entitled **Volume I, Volume II, Volume III, and The Supplementary Report of The Report of the Committee on Coordination of Rules and Statutes.**

Your Committee finds the reporter's notes in **The Report of The Committee on Coordination** generally helpful, though they are not necessarily the views of your Committee. Your Committee further finds that the notes and explanations in House **Special Committee Report No. 9, L. 1972**, do reflect the views of your Committee.

Your Committee held a hearing on **H. B. No. 2049-72** and concurs with the proposed amendments to the Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2049-72** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 338-72 Judiciary on **H. B. No. 2050-72**

The purpose of this bill is to amend the Hawaii Revised Statutes so as to eliminate inconsistencies with the rules of court; delete outmoded provisions; make improvements of a technical nature; and transfer procedural matters to rules of court where advisable. This bill is the product of work done by the Committee on Coordination of Rules and Statutes appointed pursuant to appropriations made for the Judicial Branch, Office of Administrative Director of Courts, by Act 154, L. 1969, Act 175, L. 1970, and Act 68, L. 1971 and your Joint Interim Committee appointed pursuant to **H. C. R. No. 24, H. D. 1, L. 1971.**

Comprehensive updating and unifying of statutes is long overdue in Hawaii. Obsolete civil procedure provisions dating from legislative acts of 1869 are now to be found in our statutes. When the Hawaii Rules of Civil Procedure were adopted, revision became a critical need. While many other states have permanent law revision commissions, the work undertaken by the Committee is the first comprehensive revision of statutory procedural provisions of Hawaii in this century.

This bill, along with other bills relating to the statutory revision program—namely, **House Bills 2040-72, 2041-72, 2042-72, 2043-72, 2044-72, 2045-72, 2046-72, 2047-72, 2048-72, 2049-72, 2051-72, 2052-72, 2053-72, 2054-72, 2055-72, 2056-72, 2057-72, 2058-72, 2059-72, 2060-72, 2061-72, 2062-72, 2063-72, 2064-72, 2065-72 and 2066-72**—is the culmination of work not lightly undertaken. The Committee on Coordination met regularly at least once a month for two years with Rhoda V. Lewis, former Supreme Court Justice, as the Reporter. The Joint Interim Committee carefully considered **The Report of the Committee of Coordination of Rules and Statutes** in thirteen meetings and revised the recommendations set forth in **The Report** to read as this bill and other bills above cited, relating to the statutory revision program.

Your Committee on Judiciary incorporates by reference, insofar as it is applicable to this bill, **Special Committee Report No. 9, L. 1972**, prepared by the Joint Interim Committee to Receive and Report on the Statutory Revision Program of the Committee on Coordination of Rules and Statutes pursuant to **H. C. R. No. 24, H. D. 1**, Sixth Legislature, 1971. An in-depth understanding of the amendments proposed to the Hawaii Revised Statutes by this bill, along with other bills relating to the statutory revision program, is to be found in **Special Committee Report No. 9, L. 1972**, and the exhibits appended to **Special Committee Report No. 9** entitled **Volume I, Volume II, Volume III, and The Supplementary Report of The Report of the Committee on Coordination of Rules and Statutes.**

Your Committee finds the reporter's notes in **The Report of The Committee on Coordination** generally helpful, though they are not necessarily the views of your Committee. Your Committee further finds that the notes and explanations in House **Special Committee Report No. 9, L. 1972**, do reflect the views of your Committee.

Your Committee held a hearing on **H. B. No. 2050-72** and concurs with the proposed amendments to the Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2050-72** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 339-72 Judiciary on **H. B. No. 2051-72**

The purpose of this bill is to amend the Hawaii Revised Statutes so as to eliminate inconsistencies with the rules of court; delete outmoded provisions; make improvements of a technical nature; and transfer procedural matters to rules of court where advisable. This bill is the product of work done by the Committee on Coordination of Rules and Statutes appointed pursuant to appropriations made for the Judicial Branch, Office of Administrative Director of Courts, by Act 154, L. 1969, Act 175, L. 1970, and Act 68, L. 1971 and your Joint Interim Committee appointed pursuant to **H. C. R. No. 24, H. D. 1, L. 1971**.

Comprehensive updating and unifying of statutes is long overdue in Hawaii. Obsolete civil procedure provisions dating from legislative acts of 1869 are now to be found in our statutes. When the Hawaii Rules of Civil Procedure were adopted, revision became a critical need. While many other states have permanent law revision commissions, the work undertaken by the Committee on Coordination and the Joint Interim Committee is the first comprehensive revision of statutory procedural provisions of Hawaii in this century.

This bill, along with other bills relating to the statutory revision program—namely, **House Bills 2040-72, 2041-72, 2042-72, 2043-72, 2044-72, 2045-72, 2046-72, 2047-72, 2048-72, 2049-72, 2050-72, 2052-72, 2053-72, 2054-72, 2055-72, 2056-72, 2066-72, 2057-72, 2058-72, 2059-72, 2060-72, 2061-72, 2062-72, 2063-72, 2064-72** and **2065-72**—is the culmination of work not lightly undertaken. The Committee on Coordination met regularly at least once a month for two years with Rhoda V. Lewis, former Supreme Court Justice, as the Reporter. The Joint Interim Committee carefully considered **The Report of the Committee of Coordination of Rules and Statutes** in thirteen meetings and revised the recommendations set forth in **The Report** to read as this bill and other bills above cited, relating to the statutory revision program.

Your Committee on Judiciary incorporates by reference, insofar as it is applicable to this bill, **Special Committee Report No. 9, L. 1972**, prepared by the Joint Interim Com-

mittee to Receive and Report on the Statutory Revision Program of the Committee on Coordination of Rules and Statutes pursuant to **H. C. R. No. 24, H. D. 1**, Sixth Legislature, 1971. An in-depth understanding of the amendments proposed to the Hawaii Revised Statutes by this bill, along with other bills relating to the statutory revision program, is to be found in **Special Committee Report No. 9, L. 1972**, and the exhibits appended to **Special Committee Report No. 9** entitled **Volume I, Volume II, Volume III**, and **The Supplementary Report of The Report of the Committee on Coordination of Rules and Statutes**.

Your Committee finds the reporter's notes in **The Report of The Committee on Coordination** generally helpful, though they are not necessarily the views of your Committee. Your Committee further finds that the notes and explanations in House **Special Committee Report No. 9, L. 1972**, do reflect the views of your Committee.

Your Committee held a hearing on **H. B. No. 2051-72** and concurs with the proposed amendments to the Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2051-72** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 340-72 Judiciary on **H. B. No. 2052-72**

The purpose of this bill is to amend the Hawaii Revised Statutes so as to eliminate inconsistencies with the rules of court; delete outmoded provisions; make improvements of a technical nature; and transfer procedural matters to rules of court where advisable. This bill is the product of work done by the Committee on Coordination of Rules and Statutes appointed pursuant to appropriations made for the Judicial Branch, Office of Administrative Director of Courts, by Act 154, L. 1969, Act 175, L. 1970, and Act 68, L. 1971 and your Joint Interim Committee appointed pursuant to **H. C. R. No. 24, H. D. 1, L. 1971**.

Comprehensive updating and unifying of statutes is long overdue in Hawaii. Obsolete civil procedure provisions dating from legislative acts of 1869 are now to be found in our

statutes. When the Hawaii Rules of Civil Procedure were adopted, revision became a critical need. While many other states have permanent law revision commissions, the work undertaken by the Committee on Coordination and the Joint Interim Committee is the first comprehensive revision of statutory procedural provisions of Hawaii in this century.

This bill, along with other bills relating to the statutory revision program—namely, **House Bills 2040-72, 2041-72, 2042-72, 2043-72, 2044-72, 2045-72, 2046-72, 2047-72, 2048-72, 2049-72, 2050-72, 2051-72, 2053-72, 2054-72, 2055-72, 2056-72, 2057-72, 2058-72, 2059-72, 2060-72, 2061-72, 2062-72, 2063-72, 2064-72, 2065-72 and 2066-72**—is the culmination of work not lightly undertaken. The Committee on Coordination met regularly at least once a month for two years with Rhoda V. Lewis, former Supreme Court Justice, as the Reporter. The Joint Interim Committee carefully considered **The Report of the Committee of Coordination of Rules and Statutes** in thirteen meetings and revised the recommendations set forth in **The Report** to read as this bill and other bills above cited, relating to the statutory revision program.

Your Committee on Judiciary incorporates by reference, insofar as it is applicable to this bill, **Special Committee Report No. 9, L. 1972**, prepared by the Joint Interim Committee to Receive and Report on the Statutory Revision Program of the Committee on Coordination of Rules and Statutes pursuant to **H. C. R. No. 24, H. D. 1**, Sixth Legislature, 1971. An in-depth understanding of the amendments proposed to the Hawaii Revised Statutes by this bill, along with other bills relating to the statutory revision program, is to be found in **Special Committee Report No. 9, L. 1972**, and the exhibits appended to **Special Committee Report No. 9** entitled **Volume I, Volume II, Volume III, and The Supplementary Report of The Report of the Committee on Coordination of Rules and Statutes**.

Your Committee finds the reporter's notes in **The Report of The Committee on Coordination** generally helpful, though they are not necessarily the views of your Committee. Your Committee further finds that the notes and explanations in House **Special Committee Report No. 9, L. 1972**, do reflect the views of your Committee.

Your Committee held a hearing on **H. B. No. 2052-72** and concurs with the proposed amendments to the Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2052-72** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 341-72 Judiciary on **H. B. No. 2053-72**

The purpose of this bill is to amend the Hawaii Revised Statutes so as to eliminate inconsistencies with the rules of court; delete outmoded provisions; make improvements of a technical nature; and transfer procedural matters to rules of court where advisable. This bill is the product of work done by the Committee on Coordination of Rules and Statutes appointed pursuant to appropriations made for the Judicial Branch, Office of Administrative Director of Courts, by Act 154, L. 1969, Act 175, L. 1970, and Act 68, L. 1971 and your Joint Interim Committee appointed pursuant to **H. C. R. No. 24, H. C. 1, L. 1971**.

Comprehensive updating and unifying of statutes is long overdue in Hawaii. Obsolete civil procedure provisions dating from legislative acts of 1869 are now to be found in our statutes. When the Hawaii Rules of Civil Procedure were adopted, revision became a critical need. While many other states have permanent law revision commissions, the work undertaken by the Committee on Coordination and the Joint Interim Committee is the first comprehensive revision of statutory procedural provisions of Hawaii in this century.

This bill, along with other bills relating to the statutory revision program—namely, **House Bills 2040-72, 2041-72, 2042-72, 2043-72, 2044-72, 2045-72, 2046-72, 2047-72, 2048-72, 2049-72, 2050-72, 2051-72, 2052-72, 2054-72, 2055-72, 2056-72, 2057-72, 2058-72, 2059-72, 2060-72, 2061-72, 2062-72, 2063-72, 2064-72, 2065-72 and 2066-72**—is the culmination of work not lightly undertaken. The Committee on Coordination met regularly at least once a month for two years with Rhoda V. Lewis, former Supreme Court Justice, as the Reporter. The Joint Interim Committee carefully considered **The Report of the Committee of Coordi-**

nation of Rules and Statutes in thirteen meetings and revised the recommendations set forth in **The Report** to read as this bill and other bills above cited, relating to the statutory revision program.

Your Committee on Judiciary incorporates by reference, insofar as it is applicable to this bill, **Special Committee Report No. 9, L. 1972**, prepared by the Joint Interim Committee to Receive and Report on the Statutory Revision Program of the Committee on Coordination of Rules and Statutes pursuant to **H. C. R. No. 24, H. D. 1**, Sixth Legislature, 1971. An in-depth understanding of the amendments proposed to the Hawaii Revised Statutes by this bill, along with other bills relating to the statutory revision program, is to be found in **Special Committee Report No. 9, L. 1972**, and the exhibits appended to **Special Committee Report No. 9** entitled **Volume I, Volume II, Volume III, and The Supplementary Report of The Report of the Committee on Coordination of Rules and Statutes**.

Your Committee finds the reporter's notes in **The Report of The Committee on Coordination** generally helpful, though they are not necessarily the views of your Committee. Your Committee further finds that the notes and explanations in House **Special Committee Report No. 9, L. 1972**, do reflect the views of your Committee.

Your Committee held a hearing on **H. B. No. 2053-72** and concurs with the proposed amendments to the Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2053-72** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 342-72 Judiciary on **H. B. No. 2054-72**

The purpose of this bill is to amend the Hawaii Revised Statutes so as to eliminate inconsistencies with the rules of court; delete outmoded provisions; make improvements of a technical nature; and transfer procedural matters to rules of court where advisable. This bill is the product of work done by the Committee on Coordination of Rules and Statutes appointed pursuant to appropriations made for the Judicial Branch, Office of

Administrative Director of Courts, by Act 154, L. 1969, Act 175, L. 1970, and Act 68, L. 1971 and your Joint Interim Committee appointed pursuant to **H. C. R. No. 24, H. D. 1, L. 1971**.

Comprehensive updating and unifying of statutes is long overdue in Hawaii. Obsolete civil procedure provisions dating from legislative acts of 1869 are now to be found in our statutes. When the Hawaii Rules of Civil Procedure were adopted, revision became a critical need. While many other states have permanent law revision commissions, the work undertaken by the Committee on Coordination and the Joint Interim Committee is the first comprehensive revision of statutory procedural provisions of Hawaii in this century.

This bill, along with other bills relating to the statutory revision program—namely, **House Bills 2040-72, 2041-72, 2042-72, 2043-72, 2044-72, 2045-72, 2046-72, 2047-72, 2049-72, 2050-72, 2051-72, 2052-72, 2053-72, 2055-72, 2056-72, 2057-72, 2048-72, 2058-72, 2059-72, 2060-72, 2061-72, 2062-72, 2063-72, 2064-72, 2065-72** and **2066-72**—is the culmination of work not lightly undertaken. The Committee on Coordination met regularly at least once a month for two years with Rhoda V. Lewis, former Supreme Court Justice, as the Reporter. The Joint Interim Committee carefully considered **The Report of the Committee of Coordination of Rules and Statutes** in thirteen meetings and revised the recommendations set forth in **The Report** to read as this bill and other bills above cited, relating to the statutory revision program.

Your Committee on Judiciary incorporates by reference, insofar as it is applicable to this bill, **Special Committee Report No. 9, L. 1972**, prepared by the Joint Interim Committee to Receive and Report on the Statutory Revision Program of the Committee on Coordination of Rules and Statutes pursuant to **H. C. R. No. 24, H. D. 1**, Sixth Legislature, 1971. An in-depth understanding of the amendments proposed to the Hawaii Revised Statutes by this bill, along with other bills relating to the statutory revision program, is to be found in **Special Committee Report No. 9, L. 1972**, and the exhibits appended to **Special Committee Report No. 9** entitled **Volume I, Volume II, Volume III, and The Supplementary Report of The Report of the Committee on Coordination of Rules and Statutes**.

Your Committee finds the reporter's notes in **The Report of The Committee on Coordination** generally helpful, though they are not necessarily the views of your Committee. Your Committee further finds that the notes and explanations in House **Special Committee Report No. 9, L. 1972**, do reflect the views of your Committee.

Your Committee held a hearing on **H. B. No. 2054-72** and concurs with the proposed amendments to the Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2054-72** 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 Wedemeyer.

SCRep. No. 343-72 Judiciary on **H. B. No. 2055-72**

The purpose of this bill is to amend the Hawaii Revised Statutes so as to eliminate inconsistencies with the rules of court; delete outmoded provisions; make improvements of a technical nature; and transfer procedural matters to rules of court where advisable. This bill is the product of work done by the Committee on Coordination of Rules and Statutes appointed pursuant to appropriations made for the Judicial Branch, Office of Administrative Director of Courts, by Act 154, L. 1969, Act 175, L. 1970, and Act 68, L. 1971 and your Joint Interim Committee appointed pursuant to **H. C. R. No. 24, H. D. 1, L. 1971**.

Comprehensive updating and unifying of statutes is long overdue in Hawaii. Obsolete civil procedure provisions dating from legislative acts of 1869 are now to be found in our statutes. When the Hawaii Rules of Civil Procedure were adopted, revision became a critical need. While many other states have permanent law revision commissions, the work undertaken by the Committee on Coordination and the Joint Interim Committee is the first comprehensive revision of statutory procedural provisions of Hawaii in this century.

This bill, along with other bills relating to the statutory revision program—namely, **House Bills 2040-72, 2041-72, 2042-72, 2043-72, 2044-72, 2045-72, 2046-72, 2047-72, 2048-72, 2049-72, 2050-72, 2051-72,**

2052-72, 2053-72, 2054-72, 2056-72, 2057-72, 2058-72, 2059-72, 2060-72, 2061-72, 2062-72, 2063-72, 2064-72, 2065-72, and 2066-72—is the culmination of work not lightly undertaken. The Committee on Coordination met regularly at least once a month for two years with Rhoda V. Lewis, former Supreme Court Justice, as the Reporter. The Joint Interim Committee carefully considered **The Report of the Committee of Coordination of Rules and Statutes** in thirteen meetings and revised the recommendations set forth in **The Report** to read as this bill and other bills above cited, relating to the statutory revision program.

Your Committee on Judiciary incorporates by reference, insofar as it is applicable to this bill, **Special Committee Report No. 9, L. 1972**, prepared by the Joint Interim Committee to Receive and Report on the Statutory Revision Program of the Committee on Coordination of Rules and Statutes pursuant to **H.C.R. No. 24, H.D. 1**, Sixth Legislature, 1971. An in-depth understanding of the amendments proposed to the Hawaii Revised Statutes by this bill, along with other bills relating to the statutory revision program, is to be found in **Special Committee Report No. 9, L. 1972**, and the exhibits appended to **Special Committee Report No. 9** entitled **Volume I, Volume II, Volume III**, and **The Supplementary Report of The Report of the Committee on Coordination of Rules and Statutes**.

Your Committee finds the reporter's notes in **The Report of The Committee on Coordination** generally helpful, though they are not necessarily the views of your Committee. Your Committee further finds that the notes and explanations in House **Special Committee Report No. 9, L. 1972**, do reflect the views of your Committee except for the following amendment.

Your Committee amended subsection (5) (f) of **H. B. No. 2055-72** by deleting the words "court attorneys" and inserting in lieu thereof the words "county attorneys" in order to correct a typographical error.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2055-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 2055-72, H. D. 1**, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 344-72 Judiciary on **H. B. No. 2056-72**

The purpose of this bill is to amend the Hawaii Revised Statutes so as to eliminate inconsistencies with the rules of court; delete outmoded provisions; make improvements of a technical nature; and transfer procedural matters to rules of court where advisable. This bill is the product of work done by the Committee on Coordination of Rules and Statutes appointed pursuant to appropriations made for the Judicial Branch, Office of Administrative Director of Courts, by Act 154, L. 1969, Act 175, L. 1970, and Act 68, L. 1971 and your Joint Interim Committee appointed pursuant to **H. C. R. No. 24, H. D. 1, L. 1971.**

Comprehensive updating and unifying of statutes is long overdue in Hawaii. Obsolete civil procedure provisions dating from legislative acts of 1869 are now to be found in our statutes. When the Hawaii Rules of Civil Procedure were adopted, revision became a critical need. While many other states have permanent law revision commissions, the work undertaken by the Committee on Coordination and the Joint Interim Committee is the first comprehensive revision of statutory procedural provisions of Hawaii in this century.

Your Committee considered **H. B. No. 2056-72** with the Uniform Jury Selection and Service Act, pending in your Committee as **H. B. No. 908**, and incorporated some of the provisions of the Uniform Act upon the recommendation of the Judiciary Department into this bill as **H. B. No. 2056-72, H. D. 1.**

The effect of this bill as amended is to substantially revise Hawaii law relating to the selection of juries. An analysis and explanation of this bill, as amended by your Committee, follows:

Sec. -1 and Sec. -2, relating to declaration of policy and prohibition of discrimination, are the same as in the Uniform Act.

Section -3. The definitions contained in this section are the same as in the Uniform Act, except as follows:

A sentence concerning the powers of an

administrative judge has been added to paragraph (2).

In paragraph (5) the words "as supplemented" have been substituted for "which shall be supplemented".

The words "at random" have been omitted from paragraph (6) because, under this draft, all of the names in the master jury wheel will be drawn and processed. The words "exempted or excused" have been added to this paragraph because it is intended that grounds for exemption or excuse, as well as grounds for disqualification, will be considered in processing the juror qualification forms before names are placed in the qualified jury wheel.

Paragraph (7) defining "voter registration lists" has been omitted because no definition is necessary.

Sec. -4. Subsection (a) has been taken from Section -8 (b) of the Uniform Act, with changes as follows:

The requirement that a person be a citizen of the State as well as of the United States is from the present law. This requires that the prospective juror be a permanent resident of the State without requiring any particular length of residence. Federal law (28 U.S.C.A. Section 1865) requires one year's residence in the district.

The lowering of the age requirement to eighteen also represents the present law, the age qualification being tied to voter qualifications.

The added paragraph (4) takes the place of the last two lines of **H. R. S. Section 609-2**, which disqualifies a person who has been convicted of a felony or a misdemeanor involving moral turpitude. Disqualification for a misdemeanor conviction has been omitted. The Uniform Act disqualifies a person who "has lost the right to vote because of a criminal conviction"; this provision is not contained in **H. B. No. 908**. The Federal law (28 U.S.C.A. Section 1865) disqualifies any person who has a felony charge pending against him, or has been convicted of a felony if his civil rights have not been restored by pardon or amnesty.

Subsection (b) of Section -4 is from Section -8 (a) of **H. B. 908**. A provision has been inserted enabling the jury commission to pass on grounds of disqualification, as well as the

court. This presently is provided for by Section 609-10.

The last sentence of the subsection has been omitted. The matter is covered by Section -16(e), except that entry of the disqualification on a list, as well as on the juror qualification form, has been omitted as unnecessary.

Section -5. This covers disqualification by interest and is the same as Section 609-2, except that the words "is disqualified under" have been substituted for "does not possess the qualifications prescribed by" and the provision as to disqualification because of conviction of a crime is omitted at this point.

Sec. -6. This relates to exemptions. The Uniform Act does not provide for exemptions. The Federal law provides that certain classes of persons are "barred from jury service on the ground that they are exempt" (28 U.S.C.A. Section 1863 (b) (6) and further provides that the plan of jury selection may provide for excusing persons from service by groups or classes, this being also an exemption provision (See U.S.C.A. Section 1863 (b) (5)).

The Committee on Coordination of Rules and Statutes recommended reduction of the number of categories of persons exempt from jury duty, as shown in **H. B. 2056**, Section 609-3. Section -6 is derived from this revised list, with further changes as follows:

A practitioner who treats the sick by prayer in the practice of the religion of any well recognized church is added with exemptions from jury service for ministers and priests.

Paragraph (6) of Section -6 is an added provision, taking the place of the present Section 609-11. It recognizes that excuse from service on the ground of previous service is a matter which may be waived by the prospective juror, in contrast to the present law which places an absolute bar on selection of such persons.

Sec. -7. This is the same as Section 609-4 of the present law as revised by the Committee on Coordination of Rules and Statutes. The reference to "the period of service prescribed by Section -18" instead of "the term" as in the present law, is to conform to the change in Chapter 603 eliminating terms of court.

Sec. -8. This is Section 609-5, as revised by the Committee on Coordination of Rules and Statutes. It takes the place of Section 11(a) of **H. B. 908**. The words "or bailiff" have been added, enabling the bailiff, as well as the clerk, to receive the requests of jurors for exemption or excuse, when the jurors are summoned to attend court. Also, the word "service" has been substituted for "liability to act".

Sec. -9. This is the same as the present Section 609-6, as revised by the Committee on Coordination of Rules and Statutes, with further changes as follows: The caption has been changed by substituting the word "Jurors" for "Panel". The words "whenever he deems it proper and necessary", "panel or number of", and "another panel or", have been omitted as unnecessary, without changing the meaning.

Sec. -10. Same as Section 609-7, as revised by the Committee on Coordination of Rules and Statutes, with further changes as indicated. Your Committee has not revised the per diem compensation of jurors because this matter should be handled by separate legislation. Other changes are as follows:

The words "Such pay and" have been omitted, so that mileage fees but not the per diem will be paid to jurors who report but are exempted or excused on their own request.

The words "to the clerk of the court" have been omitted after "reports in person".

Sec. -11. Same as Section 609-8 as revised by the Committee on Coordination of Rules and Statutes.

Sec. -12. This is the same as Section 609-9, except as follows:

The word "residents" has been substituted for "voters" in prescribing the qualifications of jury commissioners; other qualifications are covered by H. R. S. Section 78-1.

The last sentence has been omitted, and it has been specified at the beginning of the section that jury commissioners are to be appointed by "the judge or administrative judge" instead of "the judge or judges".

The words "per year" have been inserted after the figures "\$400" and "\$175", relating to the pay of jury commissioners.

Sec. -13. This is the same as Section -5 of the Uniform Act except as follows: The Attorney General has been substituted for the Supreme Court as the official who is to designate the lists to be used in compiling the master list. The commissioners who drafted the Uniform Act suggested that either the Supreme Court or the Attorney General might be designated. In view of the provision for giving publicity to the use of lists other than and additional to the voter registration list, it seems that the Attorney General might be more appropriately designated.

The words "property and income" have been deleted preceding "taxpayers" so as to make this provision all-inclusive. Style changes have been made which do not change the meaning.

Subsection (c) has been revised to clarify the point that lists used in compiling the master list, unless public in nature, shall not be open to the public without a court order.

Sec. -14. Section -6 of **H. B. 908** is the basis of this section but, as shown, it is recommended that the section be greatly abbreviated. The essential point is reduction of the number of names on the master list to such number as the jury commission determines should be processed, in order to provide jurors for the ensuing year. Retention of the provision of the present law for compiling each year a list of jurors to serve for one year (Section 609-10, which appears in this draft as Section -15), calls for changes in the Uniform Act provisions at this point. This also explains the proposed change at the end of Subsection (a), relating to the refilling of the master jury wheel.

The detailed provisions of Subsection (b) as to the manner of selecting at random the number of names to be placed in the master jury wheel have been omitted as unnecessary.

Sec. -15. Subsection (a) is substantially the same as the first two paragraphs of Section 609-10 as revised by the Committee on Coordination of Rules and Statutes. The only changes are the insertion, in two places, of the words "in accordance with Sections -16 and -17, and the addition of the last two sentences of the subsection.

Subsection (b) is from the third paragraph of Section 609-10 as revised by the Committee on Coordination. The second sentence of the present third paragraph beginning "All

sections shall be made" has been deleted because the matter is covered by Sections -1 and -2.

Subsection (c) is Section -9 (e) of **H. B. 908**, changed by substituting "on the certified lists" for "of qualified jurors drawn from the qualified jury wheel".

Subsection (d) is the Committee on Coordination's revised form of the last paragraph of Section 609-10, relating to dissolution of a jury list.

It will be noted that, as in Section -18, this section calls for service of jurors from January 15 of one year to January 15 of the next year. This was done by the Committee on Coordination of Rules and Statutes, because terms of court are being abolished.

Sec. -16. This is based on Section -7 of **H. B. 908**. The first sentence of Subsection -7 (a) of **H. B. 908** has been stricken because, pursuant to the changes made in Section -14, the master list already will have been reduced to the number of prospective jurors to whom juror qualification forms are to be sent. This also explains changes made in the next two sentences of the **H. B. 908** draft.

Other changes have been made in Subsection (a) to conform to the changes made in Section -4, concerning disqualification. A sentence has been added providing for expansion of the juror qualification form, so that the jury commission may process these forms from the standpoint of exemptions and excuses, as well as disqualifications, and it has been specifically provided that the qualification form "shall contain such other questions as are ordered by the court".

A sentence has been added at the end of Subsection (a) which is from the last paragraph of Section 609-13 of the present law. It relates to the consequences of failure or refusal to complete a juror qualification form. This takes the place of the first sentence of Subsection (b) of Section -7 of **H. B. 908**; also Subsection (d) as set out in **H. B. 908** has been deleted.

The last subsection is from the last sentence of Section -8 (a) of **H. B. 908**, as explained above.

Sec. -17. The first paragraph is from Section -9(a) of **H. B. 908**, with the addition of the words "exempted, or excused".

Because of the retention of the present system of listing persons subject to service during the ensuing one year period and specifically because of the retention of Sections 609-14 et seq of Chapter 609, as shown below, the other parts of Section -9 of **H. B. 908** have not been retained in this draft, except Subsection (e), which is -15(c).

Subsection (b) is new, simply providing that: "The certified lists of grand jurors and trial jurors shall be compiled from names drawn at random from the qualified jury wheel".

Sec. -18. The same as Section 609-14, as revised by the Committee on Coordination.

Sec. -19. This is the same as Section -12 of the Uniform Act with a change in Subsection (b) substituting "a" for "the" before "jury commissioner". "Jury commission" has been substituted for "jury commissioner" in the portions of Subsections (b) and (d) relating to records. In Subsection (d) the end of the first sentence, following the words "a motion under Subsection (a)", has been deleted and the following substituted: "or upon order of the court".

Sec. -20. This is based on Section -13 of **H. B. 908**. The time prescribed for preservation of records has been restated so as to fit in with the plan used in this draft.

Secs. -21 to -28. These sections are substantially the same as Sections 609-15 to 609-22 as Sections 609-15 to 609-22 as revised by the Committee on Coordination of Rules and Statutes. In Section -21, Subsection (a), the words "file the certified lists on or before January 5" have been deleted because Section -15 covers this, and in the same sentence the words "on the certified lists" have been substituted for "in the lists". In Subsection (b) the words "for each grand jury to be empaneled" have been added.

The use of data processing equipment is covered by Section 609-28, which appears in this draft as -33, but the resultant practices have not been incorporated in the cited sections. There has been added to the bill as Section 4, a provision that: "In the construction and application of the new chapter enacted by this act, Section -33 of that chapter shall have the same effect as Section 609-28 has had in Chapter 609 of the Hawaii Revised Statutes, notwithstanding the inclusion in the new chapter of provisions for ev-

ery circuit which do not, in themselves, take into account the use of the devices referred to in Section -33."

Sec. -29. Same as Section -17, of the Uniform Act.

Secs. -30 to -33. Same as Sections 609-23, 609-24, 609-27 and 609-28 as revised by the Committee on Coordination of Rules and Statutes, with one further change in Section -32 deleting the word "then" preceding "hear the excuses".

Miscellaneous provisions: The taking effect of the bill as provided in Section 5 of the bill, is geared primarily to the 1973 jury lists, although portions of the bill will take effect on July 1, 1972.

Further provisions as to the construction and application of the new provisions are contained in Sections 3 and 4 of the bill.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2056-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 2056-72, H. D. 1**, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 345-72 Judiciary on **H. B. No. 2057-72**

The purpose of this bill is to amend the Hawaii Revised Statutes so as to eliminate inconsistencies with the rules of court; delete outmoded provisions; make improvements of a technical nature; and transfer procedural matters to rules of court where advisable. This bill is the product of work done by the Committee on Coordination of Rules and Statutes appointed pursuant to appropriations made for the Judicial Branch, Office of Administrative Director of Courts, by Act 154, L. 1969, Act 175, L. 1970, and Act 68, L. 1971 and your Joint Interim Committee appointed pursuant to **H. C. R. No. 24, H. D. 1, L. 1971**

Comprehensive updating and unifying of statutes is long overdue in Hawaii. Obsolete civil procedure provisions dating from legislative acts of 1869 are now to be found in our statutes. When the Hawaii Rules of Civil Procedure were adopted, revision became a critical need. While many other states have

permanent law revision commissions, the work undertaken by the Committee on Coordination and the Joint Interim Committee is the first comprehensive revision of statutory procedural provisions of Hawaii in this century.

This bill, along with other bills relating to the statutory revision program—namely, **House Bills 2040-72, 2041-72, 2042-72, 2043-72, 2044-72, 2045-72, 2046-72, 2047-72, 2048-72, 2049-72, 2050-72, 2051-72, 2052-72, 2053-72, 2054-72, 2055-72, 2056-72, 2058-72, 2059-72, 2060-72, 2061-72, 2062-72, 2063-72, 2064-72, 2065-72, 2066-72**—is the culmination of work not lightly undertaken. The Committee on Coordination met regularly at least once a month for two years with Rhoda V. Lewis, former Supreme Court Justice, as the Reporter. The Joint Interim Committee carefully considered **The Report of the Committee of Coordination of Rules and Statutes** in thirteen meetings and revised the recommendations set forth in **The Report** to read as this bill and other bills above cited, relating to the statutory revision program.

Your Committee on Judiciary incorporates by reference, insofar as it is applicable to this bill, **Special Committee Report No. 9, L. 1972**, prepared by the Joint Interim Committee to Receive and Report on the Statutory Revision Program of the Committee on Coordination of Rules and Statutes pursuant to **H. C. R. No. 24, H. D. 1**, Sixth Legislature, 1971. An in-depth understanding of the amendments proposed to the Hawaii Revised Statutes by this bill, along with other bills relating to the statutory revision program, is to be found in **Special Committee Report No. 9, L. 1972**, and the exhibits appended to **Special Committee Report No. 9** entitled **Volume I, Volume II, Volume III, and The Supplementary Report of The Report of the Committee on Coordination of Rules and Statutes**.

Your Committee finds the reporter's notes in **The Report of The Committee on Coordination** generally helpful, though they are not necessarily the views of your Committee. Your Committee further finds that the notes and explanations in House **Special Committee Report No. 9, L. 1972**, do reflect the views of your Committee, except for the following amendments.

Your Committee amended Subsection (2) (a) of **H. B. No. 2057-72** relating to garni-

shee process and garnishee fund by inserting on page 23 of the bill, line 20, after the word and punctuation "enumerated," the following:

"and if the plaintiff proves to the satisfaction of the court that the defendant is not protected from garnishment before judgment by any other law,"

and further inserting on page 25 of the bill, line 5, after the words "supplement thereto" and preceding the comma, the following: "or other law limiting the amount garnishable,". These amendments are made in order to tie in this bill with the Consumer Credit Code or other possible legislation which will affect attachment, execution, and garnishment proceedings.

Further, your Committee amended Subsection (2) (m) of this bill, line 20 of page 38, relating to garnishee may be heard on notice by inserting the words "on or" preceding the word "before". This amendment is made to conform Section 652-9 to Section 652-1(a) (1) and (c), as revised.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2057-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 2057-72, H. D. 1**, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 346-72 Judiciary on **H. B. No. 2058-72**

The purpose of this bill is to amend the Hawaii Revised Statutes so as to eliminate inconsistencies with the rules of court; delete outmoded provisions; make improvements of a technical nature; and transfer procedural matters to rules of court where advisable. This bill is the product of work done by the Committee on Coordination of Rules and Statutes appointed pursuant to appropriations made for the Judicial Branch, Office of Administrative Director of Courts, by Act 154, L. 1969, Act 175, L. 1970, and Act 68, L. 1971 and your Joint Interim Committee appointed pursuant to **H. C. R. No. 24, H. D. 1, L. 1971**.

Comprehensive updating and unifying of statutes is long overdue in Hawaii. Obsolete procedure provisions dating from legislative

acts of 1869 are now to be found in our statutes. When the Hawaii Rules of Civil Procedure were adopted, revision became a critical need. While many other states have permanent law revision commissions, the work undertaken by the Committee on Coordination and the Joint Interim Committee is the first comprehensive revision of statutory procedural provisions of Hawaii in this century.

This bill, along with other bills relating to the statutory revision program—namely, **House Bills 2040-72, 2041-72, 2042-72, 2043-72, 2044-72, 2045-72, 2046-72, 2047-72, 2048-72, 2049-72, 2050-72, 2051-72, 2052-72, 2053-72, 2054-72, 2055-72, 2056-72, 2057-72, 2059-72, 2060-72, 2061-72, 2062-72, 2063-72, 2064-72, 2065-72, and 2066-72**—is the culmination of work not lightly undertaken. The Committee on Coordination met regularly at least once a month for two years with Rhoda V. Lewis, former Supreme Court Justice, as the Reporter. The Joint Interim Committee carefully considered **The Report of the Committee of Coordination of Rules and Statutes** in thirteen meetings and revised the recommendations set forth in **The Report** to read as this bill and other bills above cited, relating to the statutory revision program.

Your Committee on Judiciary incorporates by reference, insofar as it is applicable to this bill, **Special Committee Report No. 9, L. 1972**, prepared by the Joint Interim Committee to Receive and Report on the Statutory Revision Program of the Committee on Coordination of Rules and Statutes pursuant to **H. C. R. No. 24, H. D. 1**, Sixth Legislature, 1971. An in-depth understanding of the amendments proposed to the Hawaii Revised Statutes by this bill, along with other bills relating to the statutory revision program, is to be found in **Special Committee Report No. 9, L. 1972**, and the exhibits appended to **Special Committee Report No. 9** entitled **Volume I, Volume II, Volume III**, and **The Supplementary Report of The Report of the Committee on Coordination of Rules and Statutes**.

Your Committee finds the reporter's notes in **The Report of The Committee on Coordination** generally helpful, though they are not necessarily the views of your Committee. Your Committee further finds that the notes and explanations in House **Special Committee Report No. 9, L. 1972**, do reflect the views of your Committee.

Your Committee held a hearing on **H. B. No. 2058-72** and concurs with the proposed amendments to the Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2058-72** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 347-72 Judiciary on **H. B. No. 2059-72**

The purpose of this bill is to amend the Hawaii Revised Statutes so as to eliminate inconsistencies with the rules of court; delete outmoded provisions; make improvements of a technical nature; and transfer procedural matters to rules of court where advisable. This bill is the product of work done by the Committee on Coordination of Rules and Statutes appointed pursuant to appropriations made for the Judicial Branch, Office of Administrative Director of Courts, by Act 154, L. 1969, Act 175, L. 1970, and Act 68, L. 1971 and your Joint Interim Committee appointed pursuant to **H. C. R. No. 24, H. D. 1, L. 1971**.

Comprehensive updating and unifying of statutes is long overdue in Hawaii. Obsolete civil procedure provisions dating from legislative acts of 1869 are now to be found in our statutes. When the Hawaii Rules of Civil Procedure were adopted, revision became a critical need. While many other states have permanent law revision commissions, the work undertaken by the Committee on Coordination and the Joint Interim Committee is the first comprehensive revision of statutory procedural provisions of Hawaii in this century.

This bill, along with other bills relating to the statutory revision program—namely, **House Bills 2040-72, 2041-72, 2042-72, 2043-72, 2044-72, 2045-72, 2046-72, 2047-72, 2048-72, 2049-72, 2050-72, 2051-72, 2052-72, 2053-72, 2054-72, 2055-72, 2056-72, 2057-72, 2058-72, 2060-72, 2061-72, 2062-72, 2063-72, 2064-72, 2065-72, 2066-72**—is the culmination of work not lightly undertaken. The Committee on Coordination met regularly at least once a month for two years with Rhoda V. Lewis, former Supreme Court Justice, as the Reporter. The Joint Interim Committee carefully considered **The Report of the Committee of Coordination of**

Rules and Statutes in thirteen meetings and revised the recommendations set forth in **The Report** to read as this bill and other bills above cited, relating to the statutory revision program.

Your Committee on Judiciary incorporates by reference, insofar as it is applicable to this bill, **Special Committee Report No. 9, L. 1972**, prepared by the Joint Interim Committee to Receive and Report on the Statutory Revision Program of the Committee on Coordination of Rules and Statutes pursuant to **H. C. R. No. 24, H. D. 1**, Sixth Legislature, 1971. An in-depth understanding of the amendments proposed to the Hawaii Revised Statutes by this bill, along with other bills relating to the statutory revision program, is to be found in **Special Committee Report No. 9, L. 1972**, and the exhibits appended to **Special Committee Report No. 9** entitled **Volume I, Volume II, Volume III**, and **The Supplementary Report of The Report of the Committee on Coordination of Rules and Statutes**.

Your Committee finds the reporter's notes in **The Report of The Committee on Coordination** generally helpful, though they are not necessarily the views of your Committee. Your Committee further finds that the notes and explanations in House **Special Committee Report No. 9, L. 1972**, do reflect the views of your Committee, except for the following amendment.

Your Committee amended Subsection (34) (a) of **H. B. No. 2059-72** by adding the word "or adjudicated" after the word "convicted" and by adding the word "or disposition" after the word "sentence" in order to conform this section with terminology used by the family courts. The words "or for a greater or lesser term" is added after the word "minority" in order to permit the courts to commit offenders under eighteen years of age to the Hawaii Youth Correctional Facility for the full period of their disposition. Your Committee finds this provision desirable in order to avoid the anomaly of a person seventeen years and eight months old with a correctional disposition of one year from being mandatorily moved from the Hawaii Youth Correctional Facility to "adult" facilities authorized by law or paroled. Your Committee notes that this addition does not expand the period which a youthful offender may be confined because the limits of confinement are statutorily established by the type and degree of offense.

Your Committee deleted H. R. S. Section 352-10 in order to conform that section with the amendments made by your Committee to H. R. S. Section 352-11.

Your Committee heard from representatives of the Family Court, First Circuit, and others recommending the above amendments.

Your Committee notes that this bill makes the amendments recommended in the **Report of the Committee on Coordination of Rules and Statutes** in the chapters listed in the title, except as follows:

(1) Some of the amendments of these chapters are contained in **H. B. No. 2060-72**, relating to administrative procedure, that is: Sections 40-91, 286-58, 286-59, 286-60, 286-95, 286-129, 287-2, 383-41, 386-88, 431-68, 431-69, and 433-2.

(2) In Section 2(a) of this bill the only change made in the present Section 11-43 is to change the reference to Section "621-7" to read "607-12". This change was made because the amendment of Section 607-12 made by **H. B. 2040-72** makes it possible to refer to that section without lowering the amount of witness fees. Section 607-12 is the appropriate section, since Sec. 11-43 concerns boards of registration.

(3) In Section 23(b) of the bill the only change made in the present section 281-21 is to change the reference to Section "621-7" to read "607-12", for the reasons noted above. Sec. 281-21 concerns liquor commissions.

(4) In Section 40(b) an additional change has been made, so as to provide for appeal "for trial before the circuit court" instead of "to the circuit court". This restores the words "trial before" contained in the fourth sentence of the present section, which is to be deleted. The deletion of the sentence has to do with the procedure applicable, and was not intended to place in doubt the right to a trial in the circuit court.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2059-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 2059-72, H. D. 1**, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 348-72 Judiciary on **H. B. No. 2060-72**

The purpose of this bill is to amend the Hawaii Revised Statutes so as to eliminate inconsistencies with the rules of court; delete outmoded provisions; make improvements of a technical nature; and transfer procedural matters to rules of court where advisable. This bill is the product of work done by the Committee on Coordination of Rules and Statutes appointed pursuant to appropriations made for the Judicial Branch, Office of Administrative Director of Courts, by Act 154, L. 1969, Act 175, L. 1970, and Act 68, L. 1971 and your Joint Interim Committee appointed pursuant to **H. C. R. No. 24, H. D. 1, L. 1971**.

Comprehensive updating and unifying of statutes is long overdue in Hawaii. Obsolete civil procedure provisions dating from legislative acts of 1869 are now to be found in our statutes. When the Hawaii Rules of Civil Procedure were adopted, revision became a critical need. While many other states have permanent law revision commissions, the work undertaken by the Committee on Coordination and the Joint Interim Committee is the first comprehensive revision of statutory procedural provisions of Hawaii in this century.

This bill, along with other bills relating to the statutory revision program—namely, **House Bills 2040-72, 2041-72, 2042-72, 2043-72, 2044-72, 2045-72, 2046-72, 2047-72, 2048-72, 2049-72, 2050-72, 2051-72, 2052-72, 2053-72, 2054-72, 2055-72, 2056-72, 2057-72, 2058-72, 2059-72, 2061-72, 2062-72, 2063-72, 2064-72, 2065-72 and 2066-72**—is the culmination of work not lightly undertaken. The Committee on Coordination met regularly at least once a month for two years with Rhoda V. Lewis, former Supreme Court Justice, as the Reporter. The Joint Interim Committee carefully considered **The Report of the Committee of Coordination of Rules and Statutes** in thirteen meetings and revised the recommendations set forth in **The Report** to read as this bill and other bills above cited, relating to the statutory revision program.

Your Committee on Judiciary incorporates by reference, insofar as it is applicable to this bill, **Special Committee Report No. 9, L. 1972**, prepared by the Joint Interim Com-

mittee to Receive and Report on the Statutory Revision Program of the Committee on Coordination of Rules and Statutes pursuant to **H. C. R. No. 24, H. D. 1**, Sixth Legislature, 1971. An in-depth understanding of the amendments proposed to the Hawaii Revised Statutes by this bill, along with other bills relating to the statutory revision program, is to be found in **Special Committee Report No. 9, L. 1972**, and the exhibits appended to **Special Committee Report No. 9** entitled **Volume I, Volume II, Volume III, and The Supplementary Report of The Report of the Committee on Coordination of Rules and Statutes**.

Your Committee finds the reporter's notes in **The Report of The Committee on Coordination** generally helpful, though they are not necessarily the views of your Committee. Your Committee further finds that the notes and explanations in House **Special Committee Report No. 9, L. 1972**, do reflect the views of your Committee.

Your Committee held a hearing on **H. B. No. 2060-72** and concurs with the proposed amendments to the Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2060-72** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 349-72 Judiciary on **H. B. No. 2061-72**

The purpose of this bill is to amend the Hawaii Revised Statutes so as to eliminate inconsistencies with the rules of court; delete outmoded provisions; make improvements of a technical nature; and transfer procedural matters to rules of court where advisable. This bill is the product of work done by the Committee on Coordination of Rules and Statutes appointed pursuant to appropriations made for the Judicial Branch, Office of Administrative Director of Courts, by Act 154, L. 1969, Act 175, L. 1970, and Act 68, L. 1971 and your Joint Interim Committee appointed pursuant to **H. C. R. No. 24, H. D. 1, L. 1971**.

Comprehensive updating and unifying of statutes is long overdue in Hawaii. Obsolete civil procedure provisions dating from legislative acts of 1869 are now to be found in our

statutes. When the Hawaii Rules of Civil Procedure were adopted, revision became a critical need. While many other states have permanent law revision commissions, the work undertaken by the Committee on Coordination and the Joint Interim Committee is the first comprehensive revision of statutory procedural provisions of Hawaii in this century.

This bill, along with other bills relating to the statutory revision program—namely, House Bills 2040-72, 2041-72, 2042-72, 2043-72, 2044-72, 2045-72, 2046-72, 2047-72, 2048-72, 2049-72, 2050-72, 2051-72, 2052-72, 2053-72, 2054-72, 2055-72, 2056-72, 2057-72, 2058-72, 2059-72, 2060-72, 2062-72, 2063-72, 2064-72, 2065-72 and 2066-72—is the culmination of work not lightly undertaken. The Committee on Coordination met regularly at least once a month for two years with Rhoda V. Lewis, former Supreme Court Justice, as the Reporter. The Joint Interim Committee carefully considered **The Report of the Committee of Coordination of Rules and Statutes** in thirteen meetings and revised the recommendations set forth in **The Report** to read as this bill and other bills above cited, relating to the statutory revision program.

Your Committee on Judiciary incorporates by reference, insofar as it is applicable to this bill, **Special Committee Report No. 9, L. 1972**, prepared by the Joint Interim Committee to Receive and Report on the Statutory Revision Program of the Committee on Coordination of Rules and Statutes pursuant to **H. C. R. No. 24, H. D. 1**, Sixth Legislature, 1971. An in-depth understanding of the amendments proposed to the Hawaii Revised Statutes by this bill, along with other bills relating to the statutory revision program, is to be found in **Special Committee Report No. 9, L. 1972**, and the exhibits appended to **Special Committee Report No. 9** entitled **Volume I, Volume II, Volume III**, and **The Supplementary Report of The Report of the Committee on Coordination of Rules and Statutes**.

Your Committee finds the reporter's notes in **The Report of The Committee on Coordination** generally helpful, though they are not necessarily the views of your Committee. Your Committee further finds that the notes and explanations in House **Special Committee Report No. 9, L. 1972**, do reflect the views of your Committee.

Your Committee held a hearing on **H. B. No. 2061-72** and concurs with the proposed amendments to the Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2061-72** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 350-72 Judiciary on **H. B. No. 2062-72**

The purpose of this bill is to amend the Hawaii Revised Statutes so as to eliminate inconsistencies with the rules of court; delete outmoded provisions; make improvements of a technical nature; and transfer procedural matters to rules of court where advisable. This bill is the product of work done by the Committee on Coordination of Rules and Statutes appointed pursuant to appropriations made for the Judicial Branch, Office of Administrative Director of Courts, by Act 154, L. 1969, Act 175, L. 1970, and Act 68, L. 1971 and your Joint Interim Committee appointed pursuant to **H. C. R. No. 24, H. D. 1, L. 1971**.

Comprehensive updating and unifying of statutes is long overdue in Hawaii. Obsolete civil procedure provisions dating from legislative acts of 1869 are now to be found in our statutes. When the Hawaii Rules of Civil Procedure were adopted, revision became a critical need. While many other states have permanent law revision commissions, the work undertaken by the Committee on Coordination and the Joint Interim Committee is the first comprehensive revision of statutory procedural provisions of Hawaii in this century.

This bill, along with other bills relating to the statutory revision program—namely, House Bills 2040-72, 2041-72, 2042-72, 2043-72, 2044-72, 2045-72, 2046-72, 2047-72, 2048-72, 2049-72, 2050-72, 2051-72, 2052-72, 2053-72, 2054-72, 2055-72, 2056-72, 2057-72, 2058-72, 2059-72, 2060-72, 2061-72, 2063-72, 2064-72, 2065-72 and 2066-72—is the culmination of work not lightly undertaken. The Committee on Coordination met regularly at least once a month for two years with Rhoda V. Lewis, former Supreme Court Justice, as the Reporter. The Joint Interim Committee carefully considered **The Report of the Committee of Coordi-**

nation of Rules and Statutes in thirteen meetings and revised the recommendations set forth in **The Report** to read as this bill and other bills above cited, relating to the statutory revision program.

Your Committee on Judiciary incorporates by reference, insofar as it is applicable to this bill, **Special Committee Report No. 9, L. 1972**, prepared by the Joint Interim Committee to Receive and Report on the Statutory Revision Program of the Committee on Coordination of Rules and Statutes pursuant to **H. C. R. No. 24, H. D. 1**, Sixth Legislature, 1971. An in-depth understanding of the amendments proposed to the Hawaii Revised Statutes by this bill, along with other bills relating to the statutory revision program, is to be found in **Special Committee Report No. 9, L. 1972**, and the exhibits appended to **Special Committee Report No. 9** entitled **Volume I, Volume II, Volume III, and The Supplementary Report of The Report of the Committee on Coordination of Rules and Statutes**.

Your Committee finds the reporter's notes in **The Report of The Committee on Coordination** generally helpful, though they are not necessarily the views of your Committee. Your Committee further finds that the notes and explanations in House **Special Committee Report No. 9, L. 1972**, do reflect the views of your Committee.

Your Committee held a hearing on **H. B. No. 2062-72** and concurs with the proposed amendments to the Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2062-72** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 351-72 Judiciary on **H. B. No. 2063-72**

The purpose of this bill is to amend the Hawaii Revised Statutes so as to eliminate inconsistencies with the rules of court; delete outmoded provisions; make improvements of a technical nature; and transfer procedural matters to rules of court where advisable. This bill is the product of work done by the Committee on Coordination of Rules and Statutes appointed pursuant to appropriations made for the Judicial Branch, Office of

Administrative Director of Courts, by Act 154, L. 1969, Act 175, L. 1970, and Act 68, L. 1971 and your Joint Interim Committee appointed pursuant to **H. C. R. No. 24, H. D. 1, L. 1971**.

Comprehensive updating and unifying of statutes is long overdue in Hawaii. Obsolete civil procedure provisions dating from legislative acts of 1869 are now to be found in our statutes. When the Hawaii Rules of Civil Procedure were adopted, revision became a critical need. While many other states have permanent law revision commissions, the work undertaken by the Committee on Coordination and the Joint Interim Committee is the first comprehensive revision of statutory procedural provisions of Hawaii in this century.

This bill, along with other bills relating to the statutory revision program—namely, **House Bills 2040-72, 2041-72, 2042-72, 2043-72, 2044-72, 2045-72, 2046-72, 2047-72, 2048-72, 2049-72, 2050-72, 2051-72, 2052-72, 2053-72, 2054-72, 2055-72, 2056-72, 2057-72, 2058-72, 2059-72, 2060-72, 2061-72, 2062-72, 2064-72, 2065-72 and 2066-72**—is the culmination of work not lightly undertaken. The Committee on Coordination met regularly at least once a month for two years with Rhoda V. Lewis, former Supreme Court Justice, as the Reporter. The Joint Interim Committee carefully considered **The Report of the Committee of Coordination of Rules and Statutes** in thirteen meetings and revised the recommendations set forth in **The Report** to read as this bill and other bills above cited, relating to the statutory revision program.

Your Committee on Judiciary incorporates by reference, insofar as it is applicable to this bill, **Special Committee Report No. 9, L. 1972**, prepared by the Joint Interim Committee to Receive and Report on the Statutory Revision Program of the Committee on Coordination of Rules and Statutes pursuant to **H. C. R. No. 24, H. D. 1**, Sixth Legislature, 1971. An in-depth understanding of the amendments proposed to the Hawaii Revised Statutes by this bill, along with other bills relating to the statutory revision program, is to be found in **Special Committee Report No. 9, L. 1972**, and the exhibits appended to **Special Committee Report No. 9** entitled **Volume I, Volume II, Volume III, and The Supplementary Report of The Report of the Committee on Coordination of Rules and Statutes**.

Your Committee finds the reporter's notes in **The Report of the Committee on Coordination** generally helpful, though they are not necessarily the views of your Committee. Your Committee further finds that the notes and explanations in House **Special Committee Report No. 9, L. 1972**, do reflect the views of your Committee.

Your Committee held a hearing on **H. B. No. 2063-72** and concurs with the proposed amendments to the Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2063-72** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 352-72 Judiciary on **H. B. No. 2064-72**

The purpose of this bill is to amend the Hawaii Revised Statutes so as to eliminate inconsistencies with the rules of court; delete outmoded provisions; make improvements of a technical nature; and transfer procedural matters to rules of court where advisable. This bill is the product of work done by the Committee on Coordination of Rules and Statutes appointed pursuant to appropriations made for the Judicial Branch, Office of Administrative Director of Courts, by Act 154, L. 1969, Act 175, L. 1970, and Act 68, L. 1971 and your Joint Interim Committee appointed pursuant to **H. C. R. No. 24, H. D. 1, L. 1971**.

Comprehensive updating and unifying of statutes is long overdue in Hawaii. Obsolete civil procedure provisions dating from legislative acts of 1869 are now to be found in our statutes. When the Hawaii Rules of Civil Procedure were adopted, revision became a critical need. While many other states have permanent law revision commissions, the work undertaken by the Committee on Coordination and the Joint Interim Committee is the first comprehensive revision of statutory procedural provisions of Hawaii in this century.

This bill, along with other bills relating to the statutory revision program—namely, **House Bills 2040-72, 2041-72, 2042-72, 2043-72, 2044-72, 2045-72, 2046-72, 2047-72, 2048-72, 2049-72, 2050-72, 2051-72, 2052-72, 2053-72, 2054-72, 2055-72, 2056-**

72, 2057-72, 2058-72, 2059-72, 2060-72, 2061-72, 2062-72, 2063-72, 2065-72 and 2066-72—is the culmination of work not lightly undertaken. The Committee on Coordination met regularly at least once a month for two years with Rhoda V. Lewis, former Supreme Court Justice, as the Reporter. The Joint Interim Committee carefully considered **The Report of the Committee of Coordination of Rules and Statutes** in thirteen meetings and revised the recommendations set forth in **The Report** to read as this bill and other bills above cited, relating to the statutory revision program.

Your Committee on Judiciary incorporates by reference, insofar as it is applicable to this bill, **Special Committee Report No. 9, L. 1972**, prepared by the Joint Interim Committee to Receive and Report on the Statutory Revision Program of the Committee on Coordination of Rules and Statutes pursuant to **H. C. R. No. 24, H. D. 1**, Sixth Legislature, 1971. An in-depth understanding of the amendments proposed to the Hawaii Revised Statutes by this bill, along with other bills relating to the statutory revision program, is to be found in **Special Committee Report No. 9, L. 1972**, and the exhibits appended to **Special Committee Report No. 9** entitled **Volume I, Volume II, Volume III, and The Supplementary Report of The Report of the Committee on Coordination of Rules and Statutes**.

Your Committee finds the reporter's notes in **The Report of The Committee on Coordination** generally helpful, though they are not necessarily the views of your Committee. Your Committee further finds that the notes and explanations in House **Special Committee Report No. 9, L. 1972**, do reflect the views of your Committee.

Your Committee held a hearing on **H. B. No. 2064-72** and concurs with the proposed amendments to the Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2064-72** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 353-72 Judiciary on **H. B. No. 2065-72**

The purpose of this bill is to amend the Hawaii Revised Statutes so as to eliminate inconsistencies with the rules of court; delete outmoded provisions; make improvements of a technical nature; and transfer procedural matters to rules of court where advisable. This bill is the product of work done by the Committee on Coordination of Rules and Statutes appointed pursuant to appropriations made for the Judicial Branch, Office of Administrative Director of Courts, by Act 154, L. 1969, Act 175, L. 1970, and Act 68, L. 1971 and your Joint Interim Committee appointed pursuant to **H. C. R. No. 24, H. D. 1, L. 1971**.

Comprehensive updating and unifying of statutes is long overdue in Hawaii. Obsolete civil procedure provisions dating from legislative acts of 1869 are now to be found in our statutes. When the Hawaii Rules of Civil Procedure were adopted, revision became a critical need. While many other states have permanent law revision commissions, the work undertaken by the Committee on Coordination and the Joint Interim Committee is the first comprehensive revision of statutory procedural provisions of Hawaii in this century.

This bill, along with other bills relating to the statutory revision program—namely, **House Bills 2040-72, 2041-72, 2042-72, 2043-72, 2044-72, 2045-72, 2046-72, 2047-72, 2048-72, 2049-72, 2050-72, 2051-72, 2052-72, 2053-72, 2054-72, 2055-72, 2056-72, 2057-72, 2058-72, 2059-72, 2060-72, 2061-72, 2062-72, 2063-72, 2064-72, and 2066-72**—is the culmination of work not lightly undertaken. The Committee on Coordination met regularly at least once a month for two years with Rhoda V. Lewis, former Supreme Court Justice, as the Reporter. The Joint Interim Committee carefully considered **The Report of the Committee of Coordination of Rules and Statutes** in thirteen meetings and revised the recommendations set forth in **The Report** to read as this bill and other bills above cited, relating to the statutory revision program.

Your Committee on Judiciary incorporates by reference, insofar as it is applicable to this bill, **Special Committee Report No. 9, L. 1972**, prepared by the Joint Interim Committee to Receive and Report on the Statutory Revision Program of the Committee on Coordination of Rules and Statutes pursuant to **H. C. R. No. 24, H. D. 1**, Sixth Legislature, 1971. An in-depth understanding of the

amendments proposed to the Hawaii Revised Statutes by this bill, along with other bills relating to the statutory revision program, is to be found in **Special Committee Report No. 9, L. 1972**, and the exhibits appended to **Special Committee Report No. 9** entitled **Volume I, Volume II, Volume III, and The Supplementary Report of The Report of the Committee on Coordination of Rules and Statutes**.

Your Committee finds the reporter's notes in **The Report of The Committee on Coordination** generally helpful, though they are not necessarily the views of your Committee. Your Committee further finds that the notes and explanations in House **Special Committee Report No. 9, L. 1972**, do reflect the views of your Committee, except for the following amendment.

Your Committee amended subsection (1) (6) of **H. B. 2065-72**, by inserting the word "permitted" before "intervenor". Your Committee believes an intervenor at an investigation by or proceeding before the public utilities commission should not be a matter of right but should be a matter discretionary with the public utilities commission.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2065-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 2065-72, H. D. 1** and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Kawakami.

SCRep. No. 354-72 Judiciary on H. B. No. 2066-72

The purpose of this bill is to amend the Hawaii Revised Statutes so as to eliminate inconsistencies with the rules of court; delete outmoded provisions; make improvements of a technical nature; and transfer procedural matters to rules of court where advisable. This bill is the product of work done by the Committee on Coordination of Rules and Statutes appointed pursuant to appropriations made for the Judicial Branch, Office of Administrative Director of Courts, by Act 154, L. 1969, Act 175, L. 1970, and Act 68, L. 1971 and your Joint Interim Committee appointed pursuant to **H. C. R. No. 24, H. D. 1, L. 1971**

Comprehensive updating and unifying of statutes is long overdue in Hawaii. Obsolete civil procedure provisions dating from legislative acts of 1869 are now to be found in our statutes. When the Hawaii Rules of Civil Procedure were adopted, revision became a critical need. While many other states have permanent law revision commissions, the work undertaken by the Committee on Coordination and the Joint Interim Committee is the first comprehensive revision of statutory procedural provisions of Hawaii in this century.

This bill, along with other bills relating to the statutory revision program—namely, **House Bills 2040-72, 2041-72, 2042-72, 2043-72, 2044-72, 2045-72, 2046-72, 2047-72, 2048-72, 2049-72, 2050-72, 2051-72, 2052-72, 2053-72, 2054-72, 2055-72, 2056-72, 2057-72, 2058-72, 2059-72, 2060-72, 2061-72, 2062-72, 2063-72, 2064-72 and 2065-72**—is the culmination of work not lightly undertaken. The Committee on Coordination met regularly at least once a month for two years with Rhoda V. Lewis, former Supreme Court Justice, as the Reporter. The Joint Interim Committee carefully considered **The Report of the Committee of Coordination of Rules and Statutes** in thirteen meetings and revised the recommendations set forth in **The Report** to read as this bill and other bills above cited, relating to the statutory revision program.

Your Committee on Judiciary incorporates by reference, insofar as it is applicable to this bill, **Special Committee Report No. 9, L. 1972**, prepared by the Joint Interim Committee to Receive and Report on the Statutory Revision Program of the Committee on Coordination of Rules and Statutes pursuant to **H. C. R. No. 24, H. D. 1**, Sixth Legislature, 1971. An in-depth understanding of the amendments proposed to the Hawaii Revised Statutes by this bill, along with other bills relating to the statutory revision program, is to be found in **Special Committee Report No. 9, L. 1972**, and the exhibits appended to **Special Committee Report No. 9** entitled **Volume I, Volume II, Volume III**, and **The Supplementary Report of The Report of the Committee on Coordination of Rules and Statutes**.

Your Committee finds the reporter's notes in **The Report of The Committee on Coordination** generally helpful, though they are not necessarily the views of your Committee. Your Committee further finds that the notes

and explanations in House **Special Committee Report No. 9, L. 1972**, do reflect the views of your Committee.

Your Committee held a hearing on **H. B. No. 2066-72** and concurs with the proposed amendments to the Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2066-72** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 355-72 Select Committee of Oahu Representatives on **H. R. No. 131**

The purpose of this Resolution is to request the City and County of Honolulu to remove restrictive hours for senior citizens travelling on city busses.

Presently, the City and County of Honolulu provides senior citizens with the opportunity to use city busses without charge between the hours of 9:00 a.m. and 2:00 p.m., and between the hours of 6 p.m. and the end of bus service, around midnight.

Your Committee has determined that these hours restrict much of the daytime activities of senior citizens, and create undue hardships. The feeling of independence and freedom in senior citizens would be greatly enhanced if they were allowed to travel at their convenience during any hour of the day.

Your Select Committee of Oahu Representatives concurs with the intent and purpose of **H. R. No. 131** and recommends its adoption.

Signed by all members of the Committee.

SCRep. No. 356-72 Select Committee of Oahu Representatives on **H. R. No. 159**

The purpose of this Resolution is to request the City and County of Honolulu to rezone Waikiki to establish a desirable future land use pattern and to fix an optimum size for the area.

The time appears critical when action should be taken concerning Waikiki's future land use pattern. Studies undertaken at various times over the past 15 years have invariably proposed ultimate population and

building intensity limits for Waikiki. These studies have also shown that the present zoning of the area is inadequate to properly control the density of the area, or to achieve the optimum size for this limited area.

Your Select Committee of Oahu Representatives concurs with the intent and purpose of **H. R. No. 159** and recommends its adoption.

Signed by all members of the Committee.

SCRep. No. 357-72 Select Committee of Oahu Representatives on **H. C. R. No. 21**

The purpose of this Concurrent Resolution is to request the City and County of Honolulu to rezone Waikiki to establish a desirable future land use pattern and to fix an optimum size for the area.

The time appears critical when action should be taken concerning Waikiki's future land use pattern. Studies undertaken at various times over the past 15 years have invariably proposed ultimate population and building intensity limits for Waikiki. These studies have also shown that the present zoning of the area is inadequate to properly control the density of the area, or to achieve the optimum size for this limited area.

Your Select Committee of Oahu Representatives concurs with the intent and purpose of **H. C. R. No. 21** and recommends its adoption.

Signed by all members of the Committee.

SCRep. No. 358-72 Tourism on **H. R. No. 214**

The purpose of this Resolution is to request the Department of Planning and Economic Development, conferring with the respective county planners, to submit proposed legislation to implement the specific recommendations set forth in the Tourism Impact Plan regarding limitation of hotel rooms.

Your Committee on Tourism concurs with the intent and purpose of **H. R. No. 214** and recommends its referral to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 359-72 Judiciary on **H. B. No. 1654-72**

The purpose of this bill is to authorize the attorney general to bring action to revoke the charter of corporations which are controlled by persons engaged in organized crime. The bill also authorizes civil actions to revoke the permits of foreign corporations to do business and to enjoin unincorporated businesses from engaging in unlawful practices.

In the case of corporations, they are subject to suit for charter revocation if corporate officials or controlling managers engage in organized crime, provided the president and a majority of the board of directors should have been on notice of the illegal activity. The corporation is also responsible for the persistent acts of directors, officers, and agents in furtherance of organized criminal activities. Similar standards are established for officers in noncorporate ventures.

The need for this legislation is clear. The President's Commission on Law Enforcement and Administration of Justice reports that organized criminal roots are known to operate in at least 80 per cent of cities with 1,000,000 residents, **Task Force Report: Organized Crime**, U. S. Government Printing Office, Washington, D. C., 1967, p. 5. Hawaii, being a resort center, might well be a target for mainland organized crime figures. Representatives from the Honolulu Police Department have testified before your Committee that they have confirmed information that there have been attempts on the part of organized crime forces to get into legitimate businesses as fronts for their illegal operations. A legitimate business enables leaders of organized crime to acquire respectability and to establish an apparently legal source of funds. Because business ownership is easily concealed, it is difficult to determine all types of businesses organized crime has penetrated. Suffice it to say, some public remedy is necessary.

The text of the bill comes from 1971 Suggested State Legislation, Council of State Governments, Volume XXX, page 77 which itself is modeled after provisions of the Florida Penal Code, Florida Statutes, Sections 932.58-932.60. Similar provisions have been enacted by Congress, Title 18, United States Code, Sections 1961-1968.

Your Committee had amended **H. B. 1654-72** by deleting the original Section 3

and retaining the definition which it contained as the first new section in the bill. That amendment leaves Part 5 of Chapter 28, establishing the State organized crime unit, unchanged.

Your Committee had further amended this bill by incorporating applicable provisions of federal law relating to racketeer influenced and corrupt organizations to be found in Chapter 96 of the United States Code Annotated. Those provisions directed particularly at individuals, prohibit racketeering activities, and provide criminal penalties, civil remedies, provisions on evidence and civil investigative demand.

Your Committee had also amended this bill to leave no doubt of the clarity of our proposed statutes, that the affirmative defense of being a player in a social gambling game is not available to a person engaged in organized crime or racketeering activity.

Finally, your Committee had amended **H. B. 1654-72** by inserting a severability clause to provide that if any provision of this bill or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this bill which can be given effect without the invalid provision or application, and to this end the provisions of the bill are severable.

Upon recommitment, your Committee has amended **H. B. 1654-72, H. D. 1** to provide that provisions relating to individuals, penalties, forfeitures of corporate charters and cancellation of registrations and licenses, injunctions, commencement and conduct of proceedings, civil remedies, evidence, and civil investigative demands apply to organized crime as well as racketeering activity. Your Committee has also amended Section 4 of **H. B. No. 1654-72, H. D. 1** relating to prohibited affirmative defense to clarify that the affirmative defense of being a player in a social gambling game is not available to a person or a professional gambler engaged in organized crime.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 1654-72, H. D. 1**, as amended herein, and recommends that it pass Third Reading in the form attached hereto as **H. B. No. 1654-72, H. D. 2**.

Signed by all members of the Committee.

SCRep. No. 360-72 Tourism on **H. C. R. No. 27**

The purpose of this Concurrent Resolution is to request that the Governor of the State of Hawaii proclaim annually the week which includes Independence Day, July 4, as "Safe Boating Week", and authorizes the Governor to do so.

Your Committee on Tourism concurs with the intent and purpose of **H. C. R. No. 27** and recommends its adoption.

Signed by all members of the Committee.

SCRep. No. 361-72 Education on **H. R. No. 98**

The purpose of this Resolution is to request the Committee on Education to conduct hearings on alleged problems connected with the Hawaii State Library System, and report its findings and recommendations to the House before the end of this session.

A hearing was held on March 7, 1972 and conflicting viewpoints relating to the problem areas expressed in the Resolution were brought to your Committee's attention before, during and after the hearing. Soon after the Resolution was offered for this body's consideration on February 14, 1972, your Committee received various petitions dated as early as February 17, 1972 subscribed by a majority of the professional and non-professional personnel of the library system from throughout the State. In substance, they alleged that your Committee not schedule a hearing because the problems are internal and could be resolved without a costly hearing that would take up valuable time of the legislators. At the hearing, the petitioners' representatives again minimized the problems enumerated, and other than being critical of the language of the Resolution, contributed very little substantively.

It now appears that the petitions were not spontaneous reactions against the merits of the Resolution because of official authority exerted. Other employee witnesses who did not sign the petitions testified and tended to show that the system is indeed beset with problems. They described with particularity inefficiencies and irregularities of the system's procurement and distribution program, accounting procedures where they relate to branch and regional libraries, and personnel management and policies. Your

Committee feels that the testimony offered are not isolated complaints of the past that have been resolved, but reflect current problems that must be corrected to insure better library service to the public and to improve the morale of the employees.

Also at issue is whether the library system should be entirely or partially exempted from the well-established public policy which require public agencies to make purchases by the competitive bidding process. It further appears that an assistant superintendent for library services should be appointed immediately, and because his duties are basically non-technical policy matters, the qualifications for the position should probably emphasize administrative ability instead of long experience as a librarian.

Your Committee is convinced that a more systematic study than that of your Committee is warranted at this time. Therefore, your Committee recommends that the Legislative Auditor be requested to conduct an audit of the Hawaii State Library System to include the concerns expressed in this report and such other areas as he may determine to be appropriate. Accordingly, the title and resolve clauses of **H. R. No. 98** were amended to conform to your Committee's recommendation.

Your Committee on Education concurs with the intent and purpose of **H. R. No. 98**, as amended herein, and recommends its adoption in the form attached hereto as **H. R. No. 98, H. D. 1.**

Signed by all members of the Committee.

SCRep. No. 362-72 Legislative Management

Informing the House that **Standing Committee Report Nos. 358-72 to 361-72, House Resolution Nos. 287 to 293, and Standing Committee Report Nos. 363-72 to 371-72**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. No. 363-72 Transportation on **H. B. No. 1698-72**

The purpose of this bill is to make an appropriation for the construction of bicycle racks at State facilities. As drafted, the bill delegates this responsibility to the Department of Transportation. Your Committee believes the function should be assigned to the

Department of Accounting and General Services.

Your Committee on Transportation is in accord with the intent and purpose of **H. B. No. 1698-72**, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as **H. B. No. 1698-72, H. D. 1.**

Signed by all members of the Committee.

SCRep. No. 364-72 Transportation on **H. R. No. 212**

The purpose of this resolution is to promote highway safety. The highway safety coordinator is requested to coordinate the preparation of television film clips and to solicit funds for the program from community interest groups. While your Committee endorses the public education aspect of the Resolution, it believes that the department should not be soliciting funds for the project. Your Committee, therefore, deleted provisions relating to the soliciting of funds. As amended, the Resolution requests the coordinator to assist community interest groups in the preparation of safety films.

Your Committee on Transportation concurs with the intent and purpose of **H. R. No. 212**, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as **H. R. No. 212, H. D. 1.**

Signed by all members of the Committee.

SCRep. No. 365-72 Housing and Consumer Protection on **H. B. No. 2317-72**

The purpose of this bill is to appropriate \$18,000 out of the general revenues of the State of Hawaii for the development and implementation of a recreation program for the children of Mayor Wright Housing.

The sum shall be expended by the Hawaii Housing Authority with the understanding that any recognized tenant organization at Mayor Wright Housing is allowed to participate in the development and implementation of such a program.

Your Committee on Housing and Consumer Protection is in accord with the intent and purpose of **H. B. No. 2317-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 366-72 Judiciary on **S. B. No. 307**

The purpose of this bill is to clarify the relationship between the state and the several counties in antitrust suits brought by the Attorney General on behalf of such counties.

The Attorney General testified that at present, the counties are reluctant to authorize expenditures for antitrust actions brought on their behalf by the Attorney General because of the uncertainty of the outcome of any antitrust litigation.

This Act should resolve these difficulties by providing for the automatic authorization of the Attorney General to bring an antitrust action on behalf of any county. The creation of an antitrust enforcement revolving fund to be used by the Attorney General for costs and expenses of antitrust enforcement actions, including those undertaken by his office on behalf of any county, together with a further provision for transmitting the remainder of any recovery to the political subdivisions' general fund, after expenses, from any suit brought on behalf of a county, should remove the barriers to cooperation by the counties in antitrust suits brought on their behalf by the Attorney General.

Your Committee on Judiciary is in accord with the intent and purpose of **S. B. No. 307** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 367-72 Judiciary on **H. B. No. 1656-72**

The purpose of this bill is to provide for the apportionment of tax among all persons interested in the gross estate of a decedent unless his will provides otherwise; that apportionment shall be made in the proportion that the value of the interest of each person interested in the estate bears to the total value of the interests of all persons interested in the estate; and that values used in determining the tax shall be used for that purpose.

This bill provides for procedures for determining apportionment; method of proration; allowance for exemptions, deductions, and credits; no apportionment between tempo-

rary and remainder interests; exoneration of fiduciary; action by non-resident and reciprocity.

This bill is an adaption of the Uniform Estate Tax Apportionment Act recommended by the Commission on Uniform State Laws formed to revise, clarify, and update state laws.

In a February 10, 1972 hearing on **H. B. No. 1656-72**, your Committee received no testimony in opposition to this bill.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 1656-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 368-72 Judiciary on **H. B. No. 1721-72**

The purpose of this bill is to authorize the provision of free copies of decrees of divorce or adoption to the husband or the wife of any veteran of the armed forces by the clerk of any State court when such copies are required for use in connection with a claim based on service in the armed forces of the United States.

Your Committee notes that there are female veterans of the armed forces as well as male veterans and that provision of such decrees should be on the basis of relationship to the veteran rather than on the basis of sex distinctions.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 1721-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 369-72 Judiciary on **H. B. No. 2378-72**

The purpose of this bill is to statutorily provide that any court of the State may authorize the commencement or defense of any civil suit, action, proceeding, or appeal therein, without prepayment of fees and costs or security therefor, by an indigent person.

The present State statutes do not explicitly authorize court appointment of counsel for indigents in civil suit, action, proceeding, or appeal therein. This bill is designed to clarify the matter by explicitly so authorizing the courts. This bill is very similar to Federal provisions statutorily granting courts the authority to authorize the commencement or defense of any civil suit, action, proceeding, or appeal therein, without prepayment of fees and costs or security therefor, by a person who makes affidavit that he is unable to pay such costs or give security therefore.

Your Committee amended this bill for technical clarity and has deleted the second sentence of the last paragraph of Section 1 because of apparent inequities.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2378-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 2378-72, H. D. 1** and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 370-72 Judiciary on **H. B. No. 1676-72**

The purpose of this bill is to provide State grants-in-aid to non-profit, non-political, non-partisan citizen crime commissions.

Your Committee heard testimony that the National Council on Crime and Delinquency in a publication of its goals and recommendations advocates, "the development and support of voluntary citizen crime commissions, specifically devoted to the elimination of organized crime" and that it has established guidelines for the organization of such citizen crime commissions.

Your Committee finds that public support and participation in dealing with the crime problems of this community will help make the control of crime the responsibility of our citizenry as well as that of our law enforcement agencies.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 1676-72** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 371-72 Judiciary on **H. B. No. 1922-72**

The purpose of this bill is to improve the procedural requirements of levy and seizure; to determine what property can be levied on; the duty to surrender property under a levy; the extent of personal liability and penalty for failure to surrender property subject to distraint or levy, and to produce books and records in aid of such levy.

This amendment seeks to modify and to conform the provisions of our statutes as closely as possible with Sections 6331, 6332, 6333, and 6334 of the 1954 Internal Revenue Code, which are very comprehensive. The proposal also seeks to provide, as does the Internal Revenue Code, a penalty provision upon the person served for failure to honor the said distraint and levy.

Your Committee notes that, in the collection of unpaid taxes, the present statutory provisions authorize the Director of Taxation the use of distraint "upon so much of the taxpayer's goods, chattels, moneys, or intangibles represented by negotiable evidences of indebtedness, as he may deem sufficient to satisfy the payment of taxes due, penalties and interest, if any, and the costs and expenses of the distress." Recently, however, the Department has experienced problems in which the "third party," holding property of the taxpayer and to whom the warrant of distraint is served, has refused or is reluctant to surrender the property of the delinquent taxpayer.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 1922-72** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 372-72 Finance on **H. B. No. 1988-72**

The purpose of this bill is to establish a revolving fund for use by the department of agriculture in providing inspection services for federal and state marketing order programs.

Under Act 175, Session Laws of Hawaii 1970 (the so-called "Operating Budget"), the department of agriculture received an appropriation of \$30,000 to the marketing and consumer services division to be used as a

revolving fund for state and federal marketing order programs. The Act, however, failed to provide for actual establishment of such a revolving fund, which, upon advice of the attorney general, must be by express legislative authority.

Presently, inspection services are being provided to the papaya industry for implementation of its federal marketing order. In the absence of the fund hereby established, moneys derived from these inspections are being deposited into the general fund. This bill, which provides that such receipts shall go into the revolving fund, also provides that moneys in the fund may be expended for materials, salaries and other costs related to providing inspection services.

Your Committee amended the bill in the following particulars: (1) The new section created hereby under Chapter 147 is to be "appropriately designated" rather than numbered as "Sec. 147-11", as introduced. (2) The phrase "either federal or state", referring to the marketing order programs for which inspection services are provided, has been changed to "state and federal". (3) The three single-sentence paragraphs describing the fund and expenditures from and deposits into it were all combined into one single paragraph. We must admit to an inclination to have changed "moneys" to "monies"; however, a check with Webster (Seventh New Collegiate Dictionary, 1970) discloses that the former seems preferred.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 1988-72**, as amended herein, and recommends that it pass third reading in the form attached hereto as **H. B. No. 1988-72, H. D. 1**.

Signed by all members of the Committee.

SCRep. No. 373-72 Finance on H. B. No. 2517-72

The purpose of this bill is to enable the department of social services and housing to establish special work incentive program units in each of the counties in accordance with provisions of federal law requiring the establishment of separate administrative units to perform special program services for recipients of financial assistance who have been registered with the department of labor and industrial relations for employment or training, including health, vocational

rehabilitation, counseling, child care, and other social and supportive services as are necessary to enable individuals registered with the department of labor and industrial relations to accept employment or receive manpower training, appropriating out of general revenues, for the fiscal year 1972-73, the sum of \$22,688 therefor.

At present, the work incentive program, which is administered by the department of labor and industrial relations in cooperation with the department of social services and housing exclusively for individuals age 16 and over receiving Aid to Families with Dependent Children, operates only in Oahu. Only minimal social and supportive services have been provided recipients enrolled in the program because of the lack of sufficient social work staff and heavy demands for service in other public welfare areas. Public Law 92-223 enacted December 28, 1971 requires, effective July 1, 1972, the establishment of a special administrative unit separate from those now in existence to provide a program of special services to recipients who will be required to register for work or for manpower training in all counties of the State. Federal participation rate is increased from 75 percent to 90 per cent for supportive services effective July 1, 1972, in order for states to implement the work incentive program on an expansion basis. Costs of other current services and equipment are expected to be federally borne at 75 per cent.

Your Committee amended the bill (which was reported to us under **Stand. Com. Rep. No. 310-72** from your Committee on Public Institutions) by converting the "short form" purpose clause to an enabling provision and appropriating the funds required to implement the program. We also provided in Section 2 that expenditure of the appropriation "shall be contingent upon the federal participation rate for the program of social and supportive services" being at 90 and 75 per cent effective for personnel requirement costs and for other current expenses and equipment costs on or before July 1, 1972, the effective date of the Act.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 2517-72**, as amended herein, and recommends that it pass third reading in the form attached hereto as **H. B. No. 2517-72, H. D. 1**.

The sum hereby appropriated is to be expended by the department of social services and housing, as follows:

PERSONNEL REQUIREMENTS AND COSTS

Number of Positions	Personnel Description		Salaries	Fringes	Total
1	Social Worker V,	SR-24	\$ 14,532	\$ 2,005	\$ 16,537
10	Social Worker III,	SR-18	108,480	14,970	123,450
2	Social Worker II,	SR-15	18,744	2,587	21,331
1	Social Worker Aid III,	SR-9	6,996	965	7,961
1	Stenographer II,	SR-9	6,996	965	7,961
1	Typist II,	SR-7	6,348	876	7,224
16			TOTAL		\$184,464
			STATE SHARE (@ 10%)		\$ 18,446

OTHER CURRENT EXPENSES

Office Supplies	\$ 400
Postal Charges	300
Telephone	1,500
Private Care Mileage	2,250
Rental of Office	8,000
Printing Charges	1,000
Repair/Maintenance of Equipment	500
Training Costs	1,000
Other Miscellaneous Expenses	500
	TOTAL
	\$ 15,450
	STATE SHARE (@ 25%)
	\$ 3,863

EQUIPMENT COSTS

Quantity	Description	
3	Desks, Metal Double Pedestal, 60x30	\$ 525
3	Chairs, w/o arms, Executive	225
3	Cabinets, File 4-door, letter w/lock	450
1	Chair, Posture Stenographer	34
1	Cabinet, Supply 3-door	60
1	Table, Metal Utility	80
1	Table, Metal Kardez	80
1	Typewriter Stand, Metal, heavy-duty	63
		TOTAL
		\$1,517
		STATE SHARE (@ 25%)
		\$ 379

Signed by all members of the Committee.

SCRep. No. 374-72 Finance on H. B. No. 2519-72

The purpose of this bill is to provide for establishment within the department of social services and housing of a Demonstration Centralized Support Unit to locate and enforce the legal responsibilities of absent parents for the support of their minor children.

The establishment of such Centralized Support Enforcement Unit is contained in federal regulations relating to "Establishing Paternity and Securing Support for Children Receiving Aid." Additionally, establishment

of centralized operations is intended to provide for investigation of other resources.

At present there is no centralized unit to carry out the intent of federal and state laws pertaining to enforcement of support and recovery of public funds. It is estimated that there are approximately 1,000 absent parents who are not carrying out their duty to support. Establishment of such a unit will enable the department of social services and housing to carry out its responsibilities in this area, and to ensure that all resources available to recipients are being utilized for support, maintain liaison with law enforcement agen-

cies and establish a program for the recovery of funds for the state, personal injury claims and special income and resources. It is estimated that in the long run such an operation might potentially recover approximately \$750,000.

Essentially, this measure is intended as demonstrative, that is to show that the function can be effectively accomplished through the special unit of centralized services hereby established. No funding is now required as it is anticipated that staffing requirements will be produced by reclassification of two positions into that of "investigator" coupled with a request for a full time counsel assignment from the staff of the attorney general.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 2519-72** and recommends that it pass third reading.

Signed by all members of the Committee.

SCRep. No. 375-72 Finance on H. R. No. 104

The purpose of this resolution is to request the department of land and natural resources to preserve the historical sites in North Kohala, Hawaii, through implementation of the recommendations of its study entitled **Historic North Kohala**.

We are in accord with the findings of your Committee on Lands reporting hereupon in **Stand. Com. Rep. No. 183-72**, that:

"The Kohala area is rich in Hawaiian culture and history and your Committee is aware that once these sites are destroyed, all the information that it contains cannot be restored or recovered. Further, your Committee feels that Kamehameha, who is one of the most important individuals in Hawaiian history, North Kohala being his birthplace, his family heiau, Canoe Road, Water Tunnel and other Kamehameha period sites should be protected and developed for posterity so that we may enjoy and understand the contribution of the Hawaiian people to the culture of our islands. For once these sites are lost, no one will ever know what history was made there."

As we noted in our report on **H. B. No. 2522-72, H. D. 1**, Relating to the Planning and Development of North Kohala, a part of

the "package" of legislation recommended by the Kohala Task Force are several projects contained in **H. B. No. 1972-72**, the administration's supplemental capital improvements bill, which we have also heard and considered, item B-3 of which appropriates funds for research plans, acquisition, preservation, restoration, development and interpretation of North Kohala's historic places, structures and objects.

Your Committee on Finance concurs with the intent and purpose of **H. R. No. 104** and recommends its adoption.

Signed by all members of the Committee.

SCRep. No. 376-72 Legislative Management

Informing the House that **House Resolution Nos. 294 to 313, House Concurrent Resolution Nos. 39 and 40, and Standing Committee Report Nos. 377-72 to 398-72**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. No. 377-72 Transportation on H. B. No. 2603-72

The purpose of this bill is to make an appropriation for narrow fishing piers to be constructed throughout the State. The positioning of such piers is subject to environmental and safety considerations as determined by the Department of Transportation.

Your Committee on Transportation is in accord with the intent and purpose of **H. B. No. 2603-72**, and recommends that it be referred to the Committee on Lands.

Signed by all members of the Committee.

SCRep. No. 378-72 Housing and Consumer Protection on H. B. No. 1579

The purpose of this bill is to provide for the licensing and regulation of bookkeepers and tax return preparers, and to increase the size and composition of the State Board of Accountancy.

At the present time, only those accountants licensed under Chapter 466 of the Hawaii Revised Statutes are allowed to provide accounting services to the public for a fee. This includes certified public accountants and those public accountants who were actu-

ally practicing accounting at the time the present law was enacted. The latter group, “grandfathered” in under Ch. 466-11, HRS, are “registered” under the present law, and are allowed to practice accounting in the same manner as a certified public accountant. Other than these two groups, no other person can hold himself out as a public accountant under our present law.

In regard to this bill, your Committee looked into the areas of bookkeeping and tax return preparation as well as accounting.

The basic approach taken by your Committee has been to review the issue in terms of public interest and public need. The role of government in regulating certain aspects of private enterprise is based on the premise of both prevention and protection. It is preventive in terms of minimizing unscrupulous and fraudulent practices, and guaranteeing the consumer proper redress in such cases. It is also to serve the purpose of ensuring an acceptable standard of service as well as promoting the availability of service as needed by the public. The public must be protected from fraud and dishonesty and assured of the required degree of competence on the part of public practitioners. The State, under its police power, may pass laws to protect the public against fraud, deception or the consequence of ignorance and incapacity, and may exact the requisite degree of skill and learning from persons in professions and pursuits which affect the public health or welfare, such as accountancy. The consequences today of ill-trained, unscrupulous practitioners can have far-reaching and oftentimes disastrous results for the unsuspecting client. The client should be assured that the practitioner he selects has demonstrated a required degree of competence through experience or an examination, and that he is bound to adhere to established rules of conduct and professional ethics.

The amendments made to Chapter 466, Hawaii Revised Statutes, shall be discussed under each of the following classes of providers of services: (1) tax return preparers; (2) bookkeepers; and (3) public accountants.

Tax Return Preparers

In its study of tax return preparers, your Committee concluded that there was a need to discourage fly-by-nighters to insure consumer protection and redress in cases of faultily prepared tax returns, and to maintain

reliable, quality services. Under the present law, any person may engage in the business of preparing tax returns for a fee, with or without any training or experience in this field. Your Committee, therefore, concluded that tax return preparers be regulated by the State. This conclusion was reached in view of your Committee’s concern over the increased number of tax return preparers who solicit business during the tax season, and whose operations go unchecked. This is not to condemn the larger, more established tax return preparation firms who, as far as your Committee is concerned, do provide tax return preparation services in a professional and responsible manner.

Your Committee determined that the regulation of tax return preparers should reflect the following:

1. That a tax return preparer shall be any person engaged in offering to the public tax return preparation and tax return audit representation services for a fee. Tax return preparation shall be defined to include the preparation of payroll, sales, excise and individual income tax returns. Tax return audit representation shall be defined to include representation on behalf of a client on tax returns under examination by tax authorities, to the extent permitted by the tax authorities;
2. That any person engaged in tax return preparation and tax return audit representation as defined, shall maintain an office on a year-round basis;
3. That any person engaged in tax return preparation and tax return audit representation as defined, shall have successfully passed an examination as developed by the board which shall test the person’s competence and knowledge in tax matters relating to services he is authorized to provide. At the time of licensing, the person shall be a citizen of the United States or declared his intention of becoming a citizen, a resident of the State, over the age of twenty years and of good moral character. Such person shall also have a minimum of a high school diploma or its equivalent, and at least two years of experience in the field of tax return preparation. In the case of a firm or corporation providing tax return preparation and tax return audit representation services, there shall be at least one person duly licensed as a tax return preparer;
4. That in the case of a person, firm or corporation maintaining more than one office

or branch, there shall be at least one person duly licensed as a tax return preparer working in a full-time capacity in each such office or branch; except where such person, firm or corporation maintains such office or branch on a seasonal basis, in which case there need only be a licensed tax return preparer in the office that is required to be kept open on a year round basis. This exception was the only change made to **H. B. No. 1579, H. D. 1.**

Bookkeepers

In its study of bookkeepers, your Committee concluded that bookkeepers should be regulated in order to fill a real and tangible need in helping small businessmen with their recordkeeping and simple tax compliance requirements. It is your Committee's view that oftentimes the services required by the small businessman are not complex and might well be handled by a person other than a certified public accountant.

In addition, your Committee concluded that the regulation of bookkeepers will aid in the elimination of any indiscriminate practice of accounting under another name. Your Committee found that, at the present time, a person who is not a C.P.A. or a grandfathered public accountant but desires or is requested to render bookkeeping and other accounting services, may do so for a fee as long as he does not hold himself out to be an accountant. This is partly attributable to the lack of a clear definition of bookkeeping under our present laws.

Your Committee determined that the regulation of bookkeepers should reflect the following:

1. That a bookkeeper shall be any person engaged in offering to the public for a fee bookkeeping services, financial statement preparation services, tax preparation services as defined above, and tax return audit representation as defined above. Bookkeeping shall be defined to include the recording of financial transactions in books of account. Financial statement preparation shall be defined to include the preparation of financial statements and supporting schedules from the books of account showing the financial condition of a company as of a certain date, operating results over a period of time, and other schedules such as accounts receivable aging reports, and changes in the proprietor's equity. Each page of the financial statements and supporting schedules prepared by the

bookkeeper shall be clearly and conspicuously marked as unaudited and shall include a statement to the effect that the financial statements and schedules are restricted to internal use;

2. That any person who is a bookkeeper as defined above shall maintain an office of a year-round basis;

3. That any person who is a bookkeeper as defined above shall have successfully completed an examination developed by the Board covering accounting principles, practices and procedures and reporting standards relating to bookkeeping and financial statement preparation, as well as met the requirements set forth for a tax return preparer, shall be a high school graduate or its equivalent, and shall have had at least three years experience as a bookkeeper under the supervision of a C.P.A., grandfathered public accountant, or registered bookkeeper. At the time of licensing, the person shall be a citizen of the United States or declared his intention of becoming a citizen, a resident of the State, over the age of twenty years and of good moral character. In the cases of a firm or corporation providing services of a bookkeeper, there shall be at least one person duly licensed as a bookkeeper;

4. That in the case of a person, firm or corporation maintaining more than one office or branch, there shall be at least one person duly licensed as a bookkeeper working in a full-time capacity in each such office of branch;

5. That any person who is a bookkeeper as defined above shall not advertise;

6. That all bookkeepers who have been in the business of tax return preparation, tax return audit representation, bookkeeping, and financial statement preparation for a fee for at least two years prior to January 1, 1973, and who is a citizen of the United States or has declared his intention of becoming a citizen, a resident of the State, over the age of twenty years, and of good moral character, shall be registered as a bookkeeper upon application to and verification by the board responsible for the regulation of bookkeepers. In the case of a firm or corporation engaged in providing services of a bookkeeper for a fee for at least two years prior to January 1, 1973, any person employed by such firm or corporation meeting the eligibility requirements set forth in this paragraph

shall be registered as a bookkeeper upon application to and verification by the board.

Public Accountants

In its study of public accountants, your Committee concluded that, in the public's best interest, a class of public accountants, other than the CPA's and grandfathered public accountants, should not be created. After considering the testimonies received, your Committee determined that the profession of public accountancy requires those engaged in it to possess an extensive body of knowledge on matters relating not only to accounting and auditing, but also to other areas of business management such as tax planning and the development and installation of management information reporting systems. The public has the right to be assured that those who call themselves professional public accountants can indeed provide the services expected of them. Your Committee found that the services requiring these high level expectations of competency should be limited to CPA's and the grandfathered public accountants.

Thus, all references relating to the class of accountants identified as "licensed accountants" have been deleted.

State Board Composition

Your Committee further recommends that the composition of the Board of Accountancy be changed from seven to nine members. Five members shall be certified public accountants, two members shall be the grandfathered public accountants, one member shall be a registered bookkeeper, and one member shall be a registered tax return preparer. This ensured representation of the various professions being regulated by the regulating body.

The Board of Accountancy expressed concern that presently there isn't a sufficient number of Board members to adequately proctor the CPA examinations. Instead of increasing the Board to an unmanageable number for the purpose of providing proctors for examinations, your Committee concluded that an additional provision should be added which authorizes the Board to secure the assistance of other persons licensed under Chapter 466, without compensation, to proctor examinations given by the Board.

Your Committee on Housing and Consumer Protection is in accord with the intent and purpose of **H. B. No. 1579**, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as **H. B. No. 1579, H. D. 1.**

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

SCRep. No. 379-72 Lands on H. R. No. 73

The purpose of this resolution is to request that the State sponsor the World Surfing Championships in Hawaii. In spite of the fact that surfing originated in Hawaii and also that the best surfing conditions in the world exist in Hawaii, this State has never sponsored the World Surfing Championships due to lack of a sponsor.

Your Committee on Lands concurs with the intent and purpose of **H. R. No. 73** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 380-72 Lands on H. B. No. 1043

The purpose of this bill is the establishment of a commission, to be known as the Hawaii Bicentennial International Exposition Commission, which shall have charge of all arrangements for the holdings of an international marine exposition in the State of Hawaii, to coincide with the bicentennial commemoration of the discovery of Hawaii by Captain James Cook. The exposition, recommended by the report "Hawaii and the Sea" will serve to inform members of private industry, government officials from various nations and others of the marine assets of the State of Hawaii. Featuring Hawaii's new horizons and challenges and their impact on the nation and on the nations of the Pacific, the exposition will result in national and international focus on Hawaii and provide for economic, scientific, and environmental benefits to the State.

The bill provides the following:

1. The commission shall be placed within the office of the Governor and shall not continue beyond December 31, 1979.
2. The commission shall consist of eleven

members appointed by the Governor in accordance with Section 26-34, Hawaii Revised Statutes.

3. Defines the powers and duties of the commission and authorizes personnel necessary to perform its duties.

4. Commission shall submit to the Legislature by February 1 of each year a report of all activities, including an accounting of all property and money received and disbursed.

5. Appropriates the sum of \$200,000 for the fiscal biennium for the purposes of this act.

Your Committee upon consideration of this bill recommends the following amendments:

(1) Delete the word, "partially" in line 11, page 1 of the bill so that the sentence reads as follows: "(4) The preliminary investigation has been completed and indicates that such an exposition is feasible, provided proper planning is initiated and federal and local support (both financial and moral) is secured;"

(2) The sentences beginning on line 16 on page 1 under (6) is deleted in its entirety and the following inserted in lieu thereof: "(6) Hawaii has an obligation to celebrate its own bicentennial. Such celebration should most appropriately follow the American Bicentennial by featuring Hawaii's new horizons and challenges and their impact on the nation and on the nations of the Pacific. One of the subsidiary themes of the American Bicentennial, that of many races and creeds contributing to the growth of a great nation, is particularly appropriate to Hawaii and shall result in national focus on Hawaii in 1976 which will have carryover to 1978;"

(3) Insert the words, "for a marine exposition", in line 13, page 2, in order that the sentence shall read, "(7) considerable conceptual development for a marine exposition has already taken place;"

(4) Delete the sentence beginning on line 14 on page 2 of the bill in its entirety, and insert the following in lieu thereof: "(8) space and concept choices must be made for the exposition and its siting prior to the end of calendar year 1972;"

(5) Delete the sentence beginning on line 17 on page 2 and substitute the following to read: "(9) a bicentennial marine exposition commission should be appointed to begin planning as soon as feasible in 1972;"

(6) Delete the word "that" in line 23 of page 2 in order that the sentence shall read "(10) subsequently and as a result of the efforts of the commission, an independent, non-profit corporation should be formed, and this corporation working closely with the commission shall complete overall planning and development of the bicentennial marine exposition so that compliance with federal international exposition regulations and Bureau of International Exposition regulations may be accomplished."

(7) Insert the word "Hawaii" in line 8 of page 3 and delete the words "founding of the United States" in line 12, and insert in lieu thereof the words, "discovery of Hawaii by Captain James Cook", so that the sentence shall read as follows: "There is established a commission to be known as the Hawaii Bicentennial International Marine Exposition Commission which shall have charge of all arrangements for the holding of an international marine exposition in the State of Hawaii, to coincide with the bicentennial commemoration of the discovery of Hawaii by Captain James Cook."

(8) Delete the words "Four of the members" in line 18, page 3 and insert the words "One member", so that the sentence reads as follows: "One member shall be selected from each of the counties, including the City and County of Honolulu, three shall be selected at large."

(9) Insert the words, "of the board" immediately preceding the word, "of" contained in line 22 on page 3.

(10) Delete the following sentence in lines 2 and 3 on page 4 in its entirety: "The governor shall designate the chairman of the commission."

(11) Delete "1976 to 1978" contained in line 9 page 4 and insert in lieu thereof, "the latter half of 1977 or the first half of 1978 and in either event encompassing January 1978."

(12) Delete "1971" in line 13 on page 4 and insert "1972" in lieu thereof.

(13) Delete “1976 to” in line 2 on page 5 and insert “1977 and” in lieu thereof.

(14) Delete “\$400,000” in line 12 on page 5 and insert “\$200,000” in its place.

(15) Delete the word, “next” in line 13 on page 5.

(16) Delete the following, “at \$200,000 per year” contained in line 13 on page 5.

Your Committee on Lands is in accord with the intent and purpose of **H. B. 1043**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1043, H. D. 1** and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 381-72 Lands on **H. B. No. 2249-72**

The purpose of this bill is to clarify the procedures for public hearings on amendments to the State Land Use district boundaries.

Your Committee on Lands is in accord with the intent and purpose of **H. B. No. 2249-72** and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. No. 382-72 Lands on **H. B. No. 2602-72**

The purpose of this bill is to appropriate funds for the purpose of restocking reef areas with cultivated fish. The sum appropriated is to be expended by the Department of Land and Natural Resources.

Your Committee on Lands is in accord with the intent and purpose of **H. B. No. 2602-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 383-72 Judiciary on **H. B. No. 1844-72**

The purpose of this bill is to conform Hawaii statutes relating to Federal Tax Liens to federal statute which states that the Federal

Tax Lien will be recorded “. . . in one office within the state as designated by the laws of such state, in which the property subject to the lien is situated; . . . ”

Present HRS Section 505-1, designates the Bureau of Conveyances as the office to record the Federal Tax Lien. However, ambiguity is raised by Section 505-1 which further states “. . . and when such liens, releases, or partial discharges are to affect registered land, may be filed in the Office of the Assistant Registrar of the Land Court; . . . ”.

This bill proposes to amend Sections 505-1 and 505-4 to remove all doubt as to where Federal Tax Liens should be recorded by eliminating the provision for filing in the Office of the Assistant Registrar of the Land Court.

Your Committee heard testimony on this matter from the special procedures officer of the Internal Revenue Service, a representative of the State Bureau of Conveyances, and the reporter of the Committee on Coordination of Rules and Statutes.

Your Committee has amended this bill by adding a new Section 3 amending HRS Section 501-82(1) to make it clear to all persons concerned that besides the encumbrances listed on the Certificate of Title, a Federal Tax Lien may also be outstanding as an additional encumbrance on the subject property. This amendment is desirable as protection to the State of Hawaii from liability.

Your Committee has also amended this bill by inserting a new Section 4 amending HRS Section 501-102 in order to direct attention for clarity, to the changes proposed by other sections of this bill.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 1844-72** as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1844-72, H. D. 1** and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 384-72 Public Institutions on **H. R. No. 135**

The purpose of this resolution is to request from the Department of Social Services and Housing a study on the needs of the deaf in

Hawaii. There are a significant number of deaf adults and children in the State of Hawaii and with the growth of population generally the number of deaf persons will increase. Presently there is no comprehensive Governmental program designed to alleviate the problems of the deaf and your Committee is of the opinion that this matter should be looked into.

Your Committee on Public Institutions concurs with the intent and purpose of **H. R. No. 135** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takamine.

SCRep. No. 385-72 Public Institutions on **H. C. R. No. 24**

The purpose of this resolution is to call for public hearings on several aspects of shelter care.

The need for adequate and appropriate residential or shelter care facilities and programs has long been a prime concern of child welfare workers, mental health personnel, court workers and numerous other people who deal with the multiple problems of young adults, adolescents and younger children. These people all agree that the community needs a varied and balanced system of shelter care facilities and programs in order to cope with a variety of behavioral and environmental problems, and with specific needs characteristic of males and females and of certain age groups. There are, on the other hand, differences of opinions in the kinds and types of shelter care facilities and programs needed.

Public hearings would be appropriate forum to air these opinions and to shape some sort of attitude and policy.

Your Committee on Public Institutions concurs with the intent and purpose of **H. C. R. No. 24** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takamine.

SCRep. No. 386-72 Select Committee of Oahu Representatives on **H. B. No. 1999-72**

The purpose of this bill is to preserve, strengthen, and improve commuter services through the establishment of a joint county-state mass transit authority.

An efficient and adequate system of transportation for commuters is vital to the commerce, defense, and general welfare of the people of Hawaii. The creation and utilization of a public authority to serve as the means for implementing commuter transportation programs should provide strength, stability and improvement of commuter services.

Your Select Committee of Oahu Representatives is in accord with the intent and purpose of **H. B. No. 1999-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 387-72 Lands on **H. B. No. 2436-72**

The purpose of this bill is to relieve private landowners from having to pay for all improvements which the State has made after the termination of the surrender period. Since 1903 the State has allowed private landowners to surrender their lands to the State for forest reserve and watershed purposes in exchange for a tax exemption on the land for the period of the surrender. Recently, however, it has become increasingly difficult to get landowners to surrender their lands due to the provision in the law (Section 183-15, Hawaii Revised Statutes) which requires private landowners to pay for any improvements the State makes on the land if the owners desire that the improvements be left on the land.

Your Committee finds that some incentive to private landowners is necessary to continue this policy, especially as it affects the State's development of watershed areas. Further, your Committee finds that continuation of this policy will enhance the State's open space policy at no cost to the State, and also for purposes of conservation, forest management, erosion control, etc., the control of these lands by the State in the majority of cases will result in effective and more efficient management of these lands.

Upon consideration of this bill, your Committee is in accord with the provisions, however, it finds that added amendments would

provide greater incentives to private landowners to surrender their land. Therefore, it has amended the bill so that at the end of the surrender period, on any land surrendered after the effective date of this bill, the government shall not retain title to any improvements, including timber or other crops planted during the term of surrender. This provision will not adversely affect the government because improvements generally are put in at nominal cost and by the end of the surrender period are of no economic value to the State.

Your Committee on Lands is in accord with the intent and purpose of **H. B. No. 2436-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 2436-72, H. D. 1**, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 388-72 Judiciary on **H. B. No. 1838-72**

The purpose of this bill is to entrust residential landlord-tenant disputes about security deposits to the exclusive jurisdiction of the small claims division of our district courts and thereby expedite and lower the costs of settling such disputes.

Your Committee heard from a wide spectrum of our society and institutions on this and other landlord-tenant concerns and notes the following:

1) Security deposits and cleaning fees are principal areas of dispute between residential landlords and tenants;

2) Grievances are aggravated by the absence of an expeditious forum to resolve differences;

3) The small claims division of our district courts are established "to do substantial justice between the parties according to the rules of substantive law, and is not bound by the rules of evidence" (see H. R. S. Section 633-32);

4) Fees and costs of an action brought in the small claims court are minimal (see H. R. S. Section 633-29);

5) Persons may have their differences settled by such court without attorneys but with

the assistance of the court (see H. R. S. Section 633-28);

6) The small claims courts are established forums, presently little used, which an increased use is not expected to significantly increase costs to the State;

7) Parties may have a dispute settled in such court in a very short period of time; and

8) Many security deposits in dispute are greater than the existing \$300 limit of small claims court jurisdiction.

Your Committee further notes that disagreements about cleaning fees between residential landlord and tenant may also under this bill be resolved in the small claims court by either being considered included in a security deposit or by its separate consideration which thereby puts it within the jurisdiction of Section 633-27(1) of this bill.

Your Committee has amended this bill to clarify that the increased jurisdiction applies only to residential landlord-tenant relationships and to provide that in such cases, attorneys are prohibited from appearing on behalf of another person. The purpose of the prohibition is to reduce settlement expenses while equalizing the representation of the parties involved. It is the intent of your Committee that the effect of this bill as amended is to provide quick, impartial, and inexpensive settlement of a principal area of dispute between residential landlords and tenants.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 1838-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1838-72, H. D. 1**, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 389-72 Judiciary on **H. B. No. 1895-72**

The purpose of this bill is to reduce the punishment provisions for the operation of a vehicle without a certificate of inspection.

Present law provides for a fine of not more than \$1,000 or imprisonment of not more than one year or both. Your Committee heard testimony that these provisions are too harsh for the degree of fault and threat which

the operation of a vehicle without a certificate of inspection poses to society. Your Committee finds that the courts are not imposing fines and sentences greater than the amounts proposed in the bill.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 1895-72** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 390-72 Judiciary on **S. B. No. 308**

The purpose of this bill is to empower the Attorney General of the State of Hawaii to issue subpoenas when conducting investigations of alleged violations of law.

The Attorney General's office testified before your Committee that on a number of occasions in the past the Attorney General found that the lack of the subpoena power severely curtailed the effectiveness and the scope of investigations. Your Committee noted that a number of officials have been granted the power to subpoena witnesses and documentary evidence under the Hawaii Revised Statutes. Some of them are as follows: Ombudsman (Sec. 96-10); Fire Marshal (Sec. 132-12); Director of Social Services (Sec. 353-96); Insurance Commissioner (Sec. 431-51); Director of Regulatory Agencies (Sec. 484-11); Securities Commissioner (Sec. 485-16); and Director of Office of Consumer Protection (Sec. 487-9).

Your Committee believes the Office of the Attorney General should have privileged subpoena powers only when it is acting as a regulatory agency of the government. When, however, the Office of the Attorney General is or will be involved in litigation of the matter for which the subpoenaed material is sought, your Committee believes due process requirements mandate that the subpoena powers of the Office of the Attorney General be no greater than that of other litigants. Accordingly, your Committee has amended this bill by granting subpoena powers to the Office of the Attorney General to the extent authorized by the rules of court.

Your Committee on Judiciary is in accord with the intent and purpose of **S. B. No. 308, S. D. 1**, as amended herein, and recommends that it pass Second Reading in the form at-

tached hereto as **S. B. 308, S. D. 1, H. D. 1**, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 391-72 Judiciary on **S. B. No. 452**

The purpose of this bill is to amend Section 485-4, Hawaii Revised Statutes, to exempt from registration under the Securities Act investment securities issued by industrial loan companies.

The Industrial Loan Law, which is administered by the Bank Examiner, provides for the issuance of investment certificates by industrial loan companies. The Attorney General in two opinions rules that investment certificates are exempt from registration even though there is no exemption provided in the securities law. An attorney representing an industrial loan company questioned the opinions, and in order that the matter of exemption be clarified, the securities law should be amended to provide for exemption.

Your Committee on Judiciary is in accord with the intent and purpose of **S. B. No. 452, 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. No. 392-72 Judiciary on **S. B. No. 744**

The purpose of this bill is to clarify and unify the law among the several states with respect to partnership. The Uniform Partnership Act was approved in 1914 by the National Conference of Commissioners on Uniform State Laws and has been recommended for enactment in all the states. At present, the Uniform Partnership Act has been enacted in forty-three jurisdictions, most recently by Congress for the District of Columbia in 1962. In addition to Hawaii, only the states of Alabama, Florida, Georgia, Iowa, Kansas, Louisiana, Maine, Mississippi, and New Hampshire have not enacted the Uniform Partnership Act.

In hearings held by your Committee, testimony revealed that the provisions of this bill would greatly facilitate the holding of legal title by partnerships in Hawaii, and would also clarify and eliminate many prob-

lem areas in Hawaii's existing partnership law.

Your Committee on Judiciary is in accord with the intent and purpose of **S. B. No. 744, 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. No. 393-72 Judiciary on **S. B. No. 1060**

The purpose of this bill is to clarify the procedures and the administration of the Real Estate Recovery Fund.

Your Committee heard from the Real Estate Commission of the State of Hawaii and from the Office of the Attorney General that the bill would provide for a more efficient means for the settlement of a claim against the Recovery Fund.

Specifically, **Senate Bill No. 1060** proposes to amend sections of the existing law on the Real Estate Recovery Fund as follows:

(1) Section 467-16 is proposed to be amended by deleting the phrase "which is in violation of this chapter or the regulations promulgated pursuant thereto" and substituting the phrase "upon the grounds of fraud, misrepresentation, or deceit." This is to eliminate the apparent conflict between sections 467-16 and 467-18(b) since they both imply a different type of judgment which is required for eventual recovery from the Real Estate Recovery Fund.

(2) Section 467-18(b) is proposed to be amended to state specifically that a suit must initially be filed in a district or circuit court of the State of Hawaii. Since section 467-16 states that an aggrieved person may recover out of the Fund "by order of the circuit court or district court of the county where the violation occurred", this bill proposes to amend section 467-18(b) to conform to section 467-16 to prevent any person from mistakenly attempting to recover from a probate judgment.

(3) In addition to the above changes of Section 467-18(b), a provision is proposed to be added to clarify the cut-off date for application to the Fund. Since a cause of action in some areas arise upon discovery rather than occurrence, this bill provides that for

any cause of action occurring prior to January 1, 1968, the aggrieved person must proceed against the existing bond on the licensee which was in force prior to the establishment of the Real Estate Recovery Fund.

(4) Section 467-18 was proposed to be amended to provide that a principal broker as well as the corporate licensee may also be held responsible for any act which results in payment of a claim from the Real Estate Recovery Fund based on the principal-agent relationship.

(5) Section 467-21 is proposed to be amended to specify that the legal representatives and the Commission be served with all pleadings in an action which may result in a recovery from the Fund. This serves to protect against the problem of party defendants defaulting and causing a resulting recovery from the Fund without a court hearing.

(6) In addition, Section 467-21 is proposed to be further amended by providing for authorization to the Commission to settle any claim when there is unanimous agreement of the Commission, Director of Regulatory Agencies and the Attorney General.

Your Committee has amended Section 1b(e) of **S. B. No. 1060** by deleting the proposed amendment to HRS 467-18(e). That sentence was ambiguous in language as to whether the principal broker as well as the corporate licensee may be held responsible for the acts of its agent financially or just in licensure. As this matter is presently covered by the rules and regulations of the Real Estate Commission satisfactorily, and it is not the intent of your Committee to substantially change the present practice of the Real Estate Commission in this area, your Committee has deleted the ambiguous sentence with the concurrence of the Office of the Attorney General which aided the Real Estate Commission.

Section 1c of **S. B. No. 1060** is amended by your Committee for purposes of clarity consistent with the originally proposed amendment's intentions and with the concurrence of the Office of the Attorney General.

Your Committee on Judiciary is in accord with the intent and purpose of **S. B. No. 1060**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **S. B. No. 1060, H. D. 1**, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 394-72 Judiciary on **S. B. No. 1408-72**

The purpose of this bill is to propose an amendment to Article I of the Constitution of the State of Hawaii to guarantee that equality of rights under the law shall not be denied or abridged by our State on account of sex and to authorize the legislature to enforce that guarantee.

Your Committee believes all persons are free by nature and are equal in their inherent and inalienable rights. Among these rights are the enjoyment of life, liberty, and the pursuit of happiness, and the acquiring and possessing of property. These rights cannot endure unless women along with men recognize and possess their corresponding obligations, responsibilities, and privileges equally. It is the affirmative duty of the people through their elected representative to ensure that no person shall be discriminated for so long as the precept of our government, the equality of all people, outweighs the purpose of distinguishing that person by class.

Your Committee notes that the wording of the proposed constitutional amendment is similar to the proposal now under consideration in the United States Congress. Your Committee finds that the State of Hawaii should clearly emphasize in the Bill of Rights of our State Constitution the fundamental precept that every individual has a right of equality under the law, without discrimination on account of sex.

Your Committee on Judiciary is in accord with the intent and purpose of **S. B. No. 1408-72** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 395-72 Judiciary on **S. B. No. 1413-72**

The purpose of this bill is to modify the order of priority in the appointment of administrators of decedents' estates so that the parents of a deceased child have equal priority, instead of ranking the father ahead of the mother in the priority listing. This bill is consistent with the United States Supreme Court decision in **Reed v. Reed**, 404 U. S. 71 (1971) which held that Idaho statutory pref-

erence of men over women in being appointed administrators of estates violates the equal protection clause of the Fourteenth Amendment to the United States Constitution.

Your Committee on Judiciary is in accord with the intent and purpose of **S. B. No. 1413-72** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 396-72 Judiciary on **S. B. No. 1419-72**

The purpose of this bill is to remove discrimination on the basis of sex from existing law relating to court appearances to prosecute or defend without being licensed.

Your Committee on Judiciary is in accord with the intent and purpose of **S. B. No. 1419-72** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 397-72 Judiciary on **S. B. No. 1429-72**

The purpose of this bill is to provide an allowance for the support and maintenance of the surviving spouse from unadministered small estates. Existing law provides this allowance only to the widow of the deceased.

Your Committee on Judiciary is in accord with the intent and purpose of **S. B. No. 1429-72** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 398-72 Judiciary on **S. B. No. 1430-72**

The purpose of this bill is to remove discrimination on the basis of sex from existing law relating to the termination of guardianship of minors. Your Committee feels that no person should be discriminated against when the precept of our government, the equality of all people, outweighs the purpose of distinguishing that person by class.

Your Committee on Judiciary is in accord with the intent and purpose of **S. B. No. 1430-72** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 399-72 Judiciary on **H. B. No. 1645-72**

The purpose of this bill is to authorize the sale of private passenger motor vehicle insurance by mass merchandising.

The bill provides specific provisions relating to mass merchandising: defining mass merchandising, prohibiting discriminatory premium rates, permitting lowering of premiums based on reduction in expenses, prohibiting compulsory participation, requiring disclosure to insureds of all features of the plan, providing for maintenance of statistics, prohibiting the use of more restrictive underwriting rules by an insurer, restricting mass merchandising to private passenger motor vehicles only, and requiring that the insurance offered under this plan be open to participation by every employee of the employer or to every member of the association or organization who meets the underwriting requirement of the insurer.

Your Committee believes that for the present, mass merchandising should be restricted to private passenger vehicles where the demand is more urgent. The title of the bill is limited to mass merchandising and any substantive change which may be desirable should be the subject matter of another bill. To include such changes in this bill would result in a different set of rules for group and non-group purchasers of insurance.

Your Committee amended **H. B. 1645-72, H. D. 1** under the captions of **Definitions:** to make technical and clarifying changes in the definition of 'employees' and 'private passenger motor vehicle insurance'; to provide that 'mass merchandise' and 'mass merchandising' means sale of insurance wherein (A) the insurance is offered to a specified group and (B) the employer, association, or organization of that group has agreed to, or otherwise affiliated itself with, the sale of such insurance to its employees or members; and to provide that private passenger motor vehicle includes along with four-wheel private passenger vehicles, the motorcycle, motorized bicycle, power cycle, motor scooter and

any other similar vehicle of the private passenger type;

Applicability and scope: to provide that this bill will apply only to private passenger motor vehicle insurance to policies which become effective on or after October 1, 1972;

Employer's failure to remit premiums and cancellation and non-renewal: to provide the employer, association, or organization a reasonable opportunity to consult with the insured and to present facts in opposition to a cancellation or non-renewal;

Premium rates: to specify standards with which premium rates for private passenger motor vehicles insurance sold on a mass merchandising basis must comply; and

Underwriting standards: to denote that every plan of mass merchandising and all rules and standards applicable to mass merchandising of motor vehicle insurance shall be subject to audit by the insurance commissioner by written request to the insurer.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 1645-72, H. D. 1**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1645-72, H. D. 2**, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 400-72 Judiciary on **H. B. No. 1804-72**

The purpose of this bill is to permit certified psychologists to own stock in a professional medical corporation. Present law permits only licensed persons to own stock in a professional corporation. Your Committee notes that psychologists are certified under the Hawaii Revised Statutes and not licensed. The effect of this bill is to permit medical clinics, existing under a partnership, to incorporate for tax purposes without affecting the professional and personal relationships which existed under the partnership.

Your Committee heard in a public hearing from the Board of Medical Examiners, an attorney, and a psychologist on this matter. Because of the unique nature of a professional medical corporation, your Committee has amended **H. B. 1804-72** to provide that psychologists may not own an equal or a con-

trolling number of shares in a medical corporation. Your Committee has also amended this bill to clarify that the board regulating the medical profession shall issue rules and regulations to control the status of stockholders in a medical corporation in order to provide that all psychologists who share in the control of a medical corporation come under stringent standards along with physician stockholders. Finally, your Committee has extended the effective date of **H. B. 1804-72** to provide the Board of Medical Examiners, who shall regulate the issuance of shares to certified psychologists adequate time to revise its requirements in conformance with the purposes of this bill.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 1804-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1804-72**, **H. D. 1**, and be placed on the calendar for Third Reading.

Signed by all members of the Committee, Representatives Carroll and Yamada did not concur.

SCRep. No. 401-72 Judiciary on **S. B. No. 1193**

The purpose of this bill is to clarify the existing law to insure that the practice of leasing the land and deeding the apartment and other common elements of property regulated by the Horizontal Property Regime are not prohibited.

Your Committee heard testimony that if the fee simple owner of the land creates a horizontal property regime and subsequently transfers the apartment by a simple apartment lease, the Internal Revenue Service might take the position that the sales price is prepaid rent and that the cost of construction can only be depreciated over the term of the apartment lease. Therefore, in the year of transfer of the apartment, taxes would be imposed on the entire purchase price, less only a small percentage of the construction cost.

To avoid this, testimony revealed that seller/lessors have been able to obtain tax rulings from the Internal Revenue Service holding that the sales price of the apartment is received from the sale of property and that the ground rent is received from leasing the land, by leasing an undivided interest in the land by a ground lease, and selling the apart-

ment and an undivided interest in the improvements by an apartment deed. See Rev. Rul. 70-607. This means that the entire construction cost is deducted from the purchase price in determining the taxable gain.

However, financial institutions lending on individual condominium apartments generally require that the land in fee simple be made a common element of the Horizontal Property Regime in order to insure the stability of the regime and the certainty which it provides.

In order to avoid the possible adverse tax consequences and to satisfy the financial institutions, owners in the State of Hawaii have included fee simple ownership of the land as a common element in the declaration and sold the apartment and common elements (other than land) by an apartment deed and leased an undivided interest in the land by a separate ground lease.

Under present law, Section 514-6(b) provides that the common interest shall not be separated from the apartment to which it appertains and shall be deemed to be conveyed with the apartment. Section 514-6(c) provides that there shall be no right to partition or divide any part of the common elements.

Since the conveyance of the different estates is not clearly inconsistent with any provision of the Horizontal Property Regime and does not thwart the purpose of the Horizontal Property Regime, your Committee favors clarifying procedures to effect already permissible results. It is the intent of your Committee not to alter the substance of existing tax and HRS statutory provisions.

Your Committee on Judiciary is in accord with the intent and purpose of **S. B. No. 1193** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 402-72 Judiciary on **H. B. No. 1650-72**

The purpose of this bill is to raise the penalty provisions for the theft of dynamite or other explosives and the receipt of stolen dynamite or other explosives.

Your Committee heard that an increase in the criminal penalties for such thefts and re-

ceipt would be an additional deterrence against organized crime and crimes of violence. It is with this belief that your Committee recommends that the theft and illegal receipt of dynamite or other explosives be considered a Class C felony with no consideration of the value of the items.

Your Committee has amended **H. B. No. 1650-72** in order that its format will conform with that of the proposed Hawaii Penal Code.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 1650-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1650-72, H. D. 1**, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 403-72 Housing and Consumer Protection on **H. R. No. 192**

The purpose of this resolution is to request the City and County of Honolulu to submit application to the Federal Government for initiation of the Federally-Assisted Code Enforcement program in Kalihi-Uka.

The FACE program will upgrade both private properties and the existing public improvements in a predominantly residential area which lacks adequate public facilities such as sidewalks, fire hydrants and which at least 20% of the buildings contain code deficiencies.

Your Committee on Housing and Consumer Protection concurs with the intent and purpose of **H. R. No. 192** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 404-72 Legislative Management

Informing the House that **House Resolution Nos. 314 to 318, Standing Committee Report Nos. 399-72 to 403-72, and Standing Committee Report Nos. 405-72 to 418-72**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 405-72 Higher Education on **H. R. No. 23**

The purpose of this resolution is to request that the University of Hawaii Board of Regents lower the minimum age requirement for entrance to the community colleges from eighteen to sixteen.

Your Committee finds that more students are accelerating completion of graduation requirements and are ready and able to continue their education beyond the high school before age 18. Schools which are less able to provide challenging courses to the academically gifted or the technically or artistically talented need the resources of the community college to extend educational opportunities to students as early as age 16.

Your Committee further finds that although the University does have an early admissions program and therefore concurs with the concept of early admits, it fears the influx of students which might result if the basic admissions policy at community colleges were changed. Overcrowding of existing facilities and an increase in operating costs are two administrative concerns, according to Vice President for Community Colleges Brett Melendy. However, the University has presently no estimate of the number of students who desire early admissions. It might be hypothesized that with a lowering of the age of majority, more students might become early admits.

Your Committee on Higher Education concurs with the intent and purpose of **H. R. No. 23** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 406-72 Higher Education on **H. R. No. 141**

The purpose of this resolution is to request the University of Hawaii College of Tropical Agriculture to expand present research facilities at the Experiment Station in Kainaliu, Kona to include additional crop research other than macadamia nuts and coffee. The resolution also requests that the feasibility of acquiring 10 to 20 acres of land in a lower elevation in the Kona district be studied, and that a report on the site selected, the cost involved, and research to be conducted at the site be submitted 20 days prior to the convening of the Seventh Legislature, Regular Session, 1973.

Your Committee received favorable testimony from the College of Tropical Agriculture and Hawaii Experiment Station supporting this resolution prepared by R. M. Bullock, Assistant Director, HAES.

According to Bullock, the present station in Kainaliu deals primarily with research on macadamia nuts and coffee, and with the testing and propagation of new tropical tree fruits and nuts. Recently, the work has been expanded to include preliminary explorations in vegetable crops, including that of growing tomatoes in the Kona area.

Besides the Kainaliu Station of 15 acres at 1,500 feet elevation, there is a satellite location at Captain Cook of 6 acres at 1,750 feet elevation. There is definite need and desirability for a location of 500 to 800 feet elevation in order to conduct studies of some vegetable and floral crops, including tomatoes.

Lower elevations are necessary because temperatures below 60 degrees Fahrenheit generally damage tomato pollen and seriously decrease fruit set. The average minimum temperature at Kainaliu is 60 degrees - and temperatures decrease only infrequently. Thus, lower elevations and/or crop shelters are necessary in this district - and there is need to study the feasibility of, and acquire land suited to, these particular climatic and geographical requirements.

The Hawaii Agricultural Experiment Station is aware that continuing operational funds, facilities, and personnel will be necessary for the study. It already has the research personnel at the Beaumont Center doing preliminary explorations in certain vegetable crops such as tomatoes. It is willing to develop the requirements for the study in this resolution. It does, however, advise your Committee of finances which must be considered in the total University budget.

Your Committee is mindful of these financial implications, but acknowledges the need for the expansion of the Kainaliu facilities to include additional vegetable and fruit research on a site of 10 to 20 acres to be located and reported about 20 days prior to the next Legislative Session in 1973.

Your Committee is also aware that according to Bullock: 1) there does exist in the feasibility stage the possibility that the purposes of the expansion requested might be absorbed

by existing facilities; 2) that depending on the kind of station requested and acreage, the cost would be from \$75,000 to \$80,000, and if land acreage were up to 10 rather than 10 or more, the total cost would be considerably less.

Your Committee on Higher Education concurs with the intent and purpose of **H. R. No. 141** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 407-72 Transportation on **H. B. No. 2426-72**

The purpose of this bill is to transfer \$500,000 from the unexpended balance of an appropriation made under Item I-C4 of Section 2 of Act 197, Session Laws of Hawaii 1971 for use by the city and county of Honolulu for street widening and other improvements on Kamehameha highway in Kaneohe, Oahu. Section 3 of the bill was amended so the expending agency shall be the city and county of Honolulu. As amended, the various parts of the bill are consistent with the declared purposes.

Your Committee on Transportation is in accord with the intent and purpose of **H. B. No. 2426-72**, as amended herein, and recommends that it be referred to the Select Committee of Oahu Representatives in the form attached hereto as **H. B. No. 2426-72, H. D. 1**.

Signed by all members of the Committee.

SCRep. 408-72 Federal-State-County on **S. B. No. 44**

The purpose of this bill is to prohibit the use of general county register of electors for jury list purposes.

Under the present system the general county register is used for jury selection purposes.

This bill provides that the general county register shall not be used for jury list and that the jury commission of each circuit in selecting persons eligible to serve as trial jurors shall consult the latest census enumeration, the latest telephone and city directories, and the records of the department of taxation and any other available source of names except the general county register of voters.

Your Committee upon consideration of this bill recommends the following amendment:

Section 4 of the bill relating to effective date be amended to read:

“Upon approval of this Act, it shall take effect with respect to the 1974 jury lists and proceedings relating thereto.”

In order to provide sufficient time to send out and process juror qualification forms, the work of preparing lists of jurors to serve in the year 1973 must start in August, 1972. Given the effective date of January 1, 1972 as in **S. B. No. 44, S. D. 1**, there will be insufficient time to compile enough names from sources entirely apart from the voter's lists for the 1973 lists of jurors. Accordingly, the first jury lists which can be compiled in accordance with the directions contained in this bill are the lists on which work will start in 1973, i. e., the 1974 jury lists.

Your Committee on Federal, State and County Relations is in accord with the intent and purpose of **S. B. No. 44, S. D. 1**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **S. B. No. 44, S. D. 1, H. D. 1** and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 409-72 (Majority) Public Health, Youth and General Welfare on **H. B. No. 323**

The purpose of this bill is to repeal Chapter 760 of the Hawaii Revised Statutes to permit the public sale of prophylactics in vending machines in the State.

Your Committee recognizes the dramatic increase of known cases of venereal disease in the State of Hawaii. In the combined reports of the Department of Education, the Department of Health and the Hawaii Medical Association to this Legislature on “Comprehensive Program to Combat Venereal Disease”, the departments report a 400 per cent increase of reported cases of venereal disease over the past four years. This compares with a nationwide increase of only 50 per cent over the same time period. To combat this trend, one of the recommendations of the report is the repeal of Chapter 760 of the Hawaii Revised Statutes which would be affected by the passage of this bill.

Your Committee finds that medically approved prophylactics have been developed that will greatly protect an individual against the transmission of venereal disease. The citizens of this state have a right to protect themselves from venereal disease through the use of easily available prophylactics, the availability of which should not be limited by proximity to a pharmacy, or clinic, by the hours of business of such pharmacies or clinics, nor should it be limited by the reticence of an individual to make a public request across a counter.

Your Committee upon consideration of the bill recommends the following amendment: the handling of such devices be placed on a permit basis and that matters pertaining to the installation and maintenance of vending machines be deleted.

Your Committee has also made non-substantive style changes for purposes of clarity.

Your Committee on Public Health, Youth and General Welfare is in accord with the intent and purpose of **H. B. No. 323**, as amended herein, and recommends it pass Second Reading in the form attached hereto as **H. B. No. 323, H. D. 1** and be placed on the calendar for Third Reading.

Signed by all members of the Committee. Representatives Uechi, Duponte, Devereux, Leopold and Saiki did not concur.

SCRep. 410-72 Joint Select Committees of Kauai Representatives, Maui Representatives, Oahu Representatives and Hawaii Representatives on **H. B. No. 239**

The purpose of this bill is to provide prison guards and matrons with the identical benefits now available to policemen, firemen, jail guards and matrons.

Presently, prison employees are in the regular retirement plan and your Committee is of the opinion that prison guards should be provided with the same retirement benefit formula as that now provided for policemen, firemen, and jail guards and matrons.

Your Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives is in accord with the intent and purpose of **H. B. No. 239** and recommends that it be referred to your Committee on Finance.

Signed by all members of the Committee except Representatives Kato and Aduja.

SCRep. 411-72 Joint Select Committees of Kauai Representatives, Maui Representatives, Oahu Representatives and Hawaii Representatives on **H. B. No. 2525-72**

The purpose of this bill is to grant to some 1,700 state officers and employees the opportunity to enjoy the additional benefits which may be granted employees as a result of negotiations conducted under the State's Collective Bargaining Law. The benefits are those the employees would have enjoyed had they not been excluded from the bargaining unit.

Your Committee concurs with the statements and findings as contained in **Standing Committee Report No. 245-72** from your Committee on Public Employment.

Your Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives is in accord with the intent and purpose of **H. B. No. 2525-72** and recommends that it be referred to your Committee on Finance.

Signed by all members of the Committee except Representatives Kato and Aduja.

SCRep. 412-72 Lands on **H. B. No. 2311-72**

The purpose of this bill is to provide convenient public access to shorelines in Hawaii. Access to shoreline was both an economic and human necessity for the early Hawaiians. Today, while it may not constitute an economic or human necessity, your Committee finds that the shoreline belongs to the people of Hawaii and should be accessible to the public for its enjoyment. Thus private control of lands or development of lands bordering shorelines should not impede or restrict access.

Upon consideration of this bill, your Committee finds that amendments are necessary to strengthen the intent and purpose of this measure. As such, subsection (c) on page two has been deleted and instead the following has been added under subsection (b): "(5) The availability of public access within a reasonable distance from the subdivision or development." In approving a subdivision or development plan public access is but one of the basic requirements; other considerations being water and sewer requirements, roads, etc. As currently written, the bill may imply

that counties must approve a subdivision or development plan which provides public access to the shoreline. A further amendment makes it mandatory that a subdivision or development plan include a provision for public access to the shoreline before final approval is granted by the counties.

Your Committee on Lands is in accord with the intent and purpose of **H. B. No. 2311-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 2311-72, H. D. 1**, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 413-72 Finance on **H. B. No. 1878-72**

The purpose of this bill is to appropriate moneys out of the general revenues of the State in the sum of \$195,450.83 to compensate various persons pursuant to chapter 351, Hawaii Revised Statutes, the Criminal Injuries Compensation Act.

In amending sections 1 and 3 of the bill, by adding the names of the persons to be compensated and the amounts thereof, your Committee carefully reviewed the Fourth Annual Report of the Criminal Injuries Compensation Commission, which covers the period December 16, 1970, through December 17, 1971. The Commission received 149 new applications during the period, compared with 135 in 1970. Counting 30 carried over from the previous year, a total of 105 applications were disposed of in 1971. Of these, 25 were denied and 80 resulted in awards. This compares with 121 awards in 1970, 46 in 1969, and 3 in 1968.

Compensating the full measure of the 1971 awards will require a legislative appropriation amounting to \$195,450.83. This figure is somewhat less than the total awards in 1970 (which totaled \$262,157.14) and is short of the predicted caseload increase contained in our **Stand. Com. Rep. No. 459** on **H. B. No. 492** of last year (Act 71, Session Laws of Hawaii 1971).

This is not, unfortunately, an indication that the number of violent crimes is on the decrease. Instead, as stated by the commission in its report:

“While the year 1971 saw a continuation of the basic policies and trends in the work of the Commission, it was also a year which saw some inaction, as well as a year which resulted in a total re-examination of the Commission’s activities. In April, the Commission lost the services of its Chairman, John Jubinsky, when his appointment failed of confirmation by the State Senate. Then in May, Commissioner Sun Leong submitted his resignation for personal reasons. With only one commissioner remaining, the Commission was unable to hold any hearings or to make any awards, since the statute requires a quorum of two members.

“On October 28, 1971, Governor John A. Burns conferred interim appointments upon Clinton K. L. Ching and Roland D. Sagum, thereby filling the two vacancies in the Commission. At its first official meeting held on November 10, 1971, the new Commission elected Clinton K. L. Ching, the attorney member, to serve as Chairman of the Commission.”

Thereafter, following familiarization of itself with the statutory scheme, meetings with concerned legislators, and travel to the Neighbor Islands, the commission, during the period from November through December, 1971, finalized 64 applications, and 48 of the total of 80 awards resulted.

Also, last year, in **Stand. Com. Rep. No. 459**, we stated — and requested:

“Your Committee appreciates that the commission has not heretofore had the benefit of meaningful expression of legislative intent respecting administration of the statute, and we are not unmindful that its rule-making powers are somewhat restricted thereunder. However, having expressed our concern, the commission is hereby respectfully requested to include with the next annual report on its activities as required by section 351-70, a detailed description of its attempted compliance herewith; and because we recognize that our suggested standard is something short of specific, we also request particular amendatory proposals which, if enacted, may put to rest our concern for the progressively increasing costs of this program.”

However, we are not in receipt of the requested proposals, because:

“In the brief period that the Commission has been charged with the administration of the State’s Criminal Injuries Compensation law, we have been made keenly aware of some of the many complexities in the statute as well as in the application of that statute to specific cases. We have begun to develop general thoughts as to areas where amendments may be appropriate. **However, we do not pretend to possess, at this time, the kind of expertise necessary to recommend specific remedial legislation.**” (Criminal Injuries Compensation Commission, Fourth Annual Report, p. 11). (Emphasis added).

As we have also previously pointed out, we are particularly pleased to recommend appropriations as compensation provided for under part IV of the Act covering the case of a “private citizen” who “incurs injury or property damage in preventing the commission of a crime . . . , in apprehending a person who has committed a crime . . . , or in materially assisting a peace officer who is engaged in the prevention or attempted prevention of such a crime or apprehension or attempted apprehension of such a person” In reviewing the commission’s Third Annual Report, we noted, however, with disappointment, that of the 147 cases for which we recommended appropriations last year, only 6 awards were made under the “good samaritan” provisions. This year, in reviewing the Fourth Annual Report, we are again disappointed: Of the 80 cases which are the subject of this bill, only 2 awards relate to the attempted prevention of crime.

As heretofore stated, your Committee has amended the bill by adding the names of the persons to be compensated and the amounts thereof; and, notwithstanding our very grave reservations over some of the claims, appropriations are recommended sufficient to compensate all of the cases for which there was an order for payment. To do otherwise would serve no better purpose than to attempt to second guess the commission.

The sums under section 1 represent unconditional lump sum awards, payable upon warrants issued by the comptroller, directly. Under section 2, the appropriation is to the department of social services; payments are principally periodic, while others are conditional or include attorney’s fee.

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

1878-72, as amended herein, and recommends that it pass second reading in the form attached hereto as **H. B. No. 1878-72, H. D. 1**, and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 414-72 Finance on H. B. No. 2279-72

The purpose of this bill is to allow the Kamehameha day celebration commission to accept donations of money and personal property, and, as amended herein, to establish a special fund into and from which money donated, together with supplemental general appropriations, shall be deposited and paid in arranging for and celebrating the anniversary of the birth of King Kamehameha I.

The Kamehameha day celebration commission, whose twenty-two members, representing various ethnically oriented civic and community associations, are appointed by the governor, and which is within the department of accounting and general services, has traditionally been appropriated for by the legislature out of general revenues. See, e.g., Act 68, Session Laws of Hawaii 1971 (\$41,800 for fiscal biennium 1971-73); Act 175, Session Laws of Hawaii 1970 (\$20,500 for fiscal year 1970). However, according to testimonies before your Committee by and on behalf of the commission, there is a desire to do more in the observance of this occasion than the amount of funds heretofore appropriated will allow; and the commission has undertaken to consider ways in which it may contribute toward an expanded program, including the distribution and "sale" of brochures and souvenir items, the "donations" given in exchange for which would be applied to defray the costs of the celebration.

As introduced, the bill provided the authorization for such receipts of money, which would then be "deposited with the director of budget and finance and is appropriated to the commission," followed by a provision that any unexpended sum for the current year "shall be retained by the commission for use in subsequent years."

Your Committee has amended the bill by substituting for the foregoing, language creating a special fund, as follows:

"There is created in the treasury of the State a special fund to be known as the Kamehameha day celebration fund, into which all money donated to the commission shall be deposited and from which the expenses of arranging for and celebrating of the anniversary of the birth of King Kamehameha I shall be paid; provided, if money donated to the commission is insufficient to meet all such expenses, general appropriation may be used to augment the Kamehameha day celebration fund for the purpose hereof; provided, further, that the aggregate amount of the fund, whether solely from donations or augmented by general appropriation, shall not exceed the sum of \$50,000. All such money which is not expended for the current year, including funds appropriated by the legislature, which shall not lapse, shall be retained in the Kamehameha day celebration fund for use by the commission in subsequent years."

As such, therefore, we have maintained the non-lapsing provision of the bill, both as to donations and appropriations, placing, however, a ceiling upon the aggregate amount of the fund at \$50,000. Based upon the testimonies and the history of prior appropriations, your Committee is satisfied that this sum, while adequate to meet any of the commission's needs (even adjusted to foreseeably rising costs), is within a range where, if donations anticipated for a given year fall something short of the ceiling, the request for a legislative supplement to the fund will still be somewhat in line with the amounts of recently current appropriations.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 2279-72**, as amended herein, and recommends that it pass second reading in the form attached hereto as **H. B. No. 2279-72, H. D. 1**, and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 415-72 Finance on S. B. No. 173

The purpose of this bill is to amend the statutory procedure for decision and appeal of applications for service-connected total disability and occupational retirement benefits under the Employees' Retirement System.

Under present law, applications for total disability or occupational disability retirement (Secs. 88-77, - 79, Hawaii Revised Statutes, respectively) which are filed with the board of trustees, are certified (1) by the agency head as to the circumstances surrounding the service performed resulting in the disability, and (2) by the medical board that the member is incapacitated which is "likely to be permanent". The board of trustees, in passing upon the merits of the application, may accept as "conclusive" the certification by the agency head or the medical board; and (under Sec. 88-32, Hawaii Revised Statutes) the board of trustees may appoint an independent medical review board of licensed physicians to review decisions of the medical board in case of an appeal (taken under Sec. 88-82, Hawaii Revised Statutes).

In the recent case of **Mortensen v. Board of Trustees of the Employees' Retirement System**, 52 Haw. 212, 473 P.2d 866 (1970), the Hawaii Supreme Court ruled, *inter alia*, that an applicant for disability retirement benefits is entitled to a "trial-type" hearing on contested issues of fact before the board of trustees decides upon his application, including proper notice and opportunity to be heard, to present evidence and argument and to cross-examine witnesses; and that such proceedings, therefore, must follow the applicable provisions of the Hawaii Administrative Procedures Act which afford statutory and constitutional rights to procedural due process.

Your Committee is informed that on the basis of this decision, the board of trustees has adopted emergency procedural rules providing for the type of hearing prescribed, pursuant to which the board reaches its own decisions, all but eliminating the function of the medical review board.

Thus, the bill abolishes the medical review board and provides, instead, that a member may appeal an adverse certification by the agency head or the medical board to the labor and industrial relations appeal board which "shall conduct a full hearing on the appeal and shall afford the member . . . the rights to appear and be heard on any issue before it." It is also expressly provided that said appeal shall be subject to applicable provisions of the Hawaii Administrative Procedures Act (Secs. 91-9, -10, Hawaii Revised Statutes).

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 173** and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 416-72 Finance on H. B. No. 819

The principal purposes of this bill, as amended, are to amend section 213 of the Hawaiian Homes Commission Act of 1920, as amended, as follows: (1) By increasing the aggregate amount of "Additional Receipts" deposited into a special revolving account within the Hawaiian home-loan fund under subsection (b) from \$2,500,000 to \$5,000,000, and deleting the provision that this authorization is subject to repeal or amendment and to recall by the legislature of the moneys loaned; (2) by increasing the maximum which the department of Hawaiian home lands may loan, guarantee or underwrite under the home-loan fund provisions of subsection (b) (2) from \$10,000 to \$20,000; and (3) by establishing four additional revolving funds in the State treasury to be known as "the Hawaiian home-farm loan fund", "the Hawaiian home-commercial loan fund", "the Hawaiian home-repair loan fund", and "the Anahola-Kekaha loan fund" as subsections (g), (h), (i) and (j), respectively. Incidentally amended, also, are sections 214 and 215 to accommodate the funds hereby created.

Section 213(b). Under the Hawaiian home-loan fund provisions of the Act, it is provided that 30 per cent of state receipts derived from leasing cultivated sugar-cane lands or from water licenses shall be deposited into said fund until the aggregate amount thereof equals \$5,000,000. Any receipts over and above this ceiling, which are called "Additional Receipts" are deposited in a special revolving account within the home-loan fund until the aggregate amount thereof equals \$2,500,000. This bill increases this latter sum to \$5,000,000.

Your Committee on Hawaiian Homes, reporting hereupon under **Stand. Com. Rep. No. 517**, stated that these monies are "spent in several productive ways" and that "the needs of the programs which are dependent upon Additional Receipts for funding justifies such an increase." We are informed by the director of the department of Hawaiian home lands that as of the close of fiscal year

1970, some \$1,706,000 had been received into the fund, and that the department anticipated attaining the presently authorized level by the conclusion of the current calendar year. Increasing the ceiling in accordance with this bill will affect the debt ceiling of the State \$375,000.

Immediately preceding the provisions relating to the Additional Receipts revolving account is a statutory stipulation that the receipts thereinto deposited are "Subject to repeal or amendment of this authorization and to the recall, by the legislature, of the moneys herein loaned. . . ." By amendment to this bill, this clause has been deleted.

The import of this measure was originally the subject of **H. B. No. 2497-72**, the operative effect of which has been hereat applied. Reporting on that bill in **Stand. Com. Rep. No. 252-72**, your Committee on Hawaiian Homes, after noting that the inability of homesteaders to give real estate mortgages has greatly hampered the financing of improvement construction, stated:

"A bill has been introduced in Congress which would allow the United States Department of Agriculture's Farmers Home Administration to accept the Department of Hawaiian home lands' guarantee of repayment in lieu of a real estate mortgage.

"In a letter dated February 3, 1972, the Farmers Homes Administration pointed out some problems existing in the Hawaiian Home Commission Act as it now exists. In essence, the letter says that the Hawaiian Homes Commission Act must be amended before the Farmers Home Administration can or will accept the department of Hawaiian home lands' guarantee.

"The problem pertinent to this bill is that Section 213(b) of the Hawaiian Homes Commission Act gives the Legislature the right to recall the moneys used to back up the department of Hawaiian home lands' guarantee of repayment. This bill solves that problem."

Section 213(b) (2). The amendment hereof by the bill increases from \$10,000 to \$20,000 the maximum amount which the department of Hawaiian home lands may loan, or guarantee the repayment of or otherwise underwrite; or in case of death without qualified

survivors or cancellation by the lessee, the amount which the department is permitted to assume.

The proposed increase was originally the subject of **H. B. No. 2496-72**, the provisions of which have been herein incorporated. Raising the maximum amount which may be guaranteed or underwritten by the department is supported by essentially the same justification for the previous two amendments to this section of the Act. In **Stand. Com. Rep. No. 251-72**, your Committee on Hawaiian Homes, again referring to the Congressional bill allowing the Farmers Homes Administration to accept the department's guarantee of repayment, but indicating wherein the Act must be amended in order to qualify, said:

"The United States Department of Agriculture's Farmers Home Administration has a rural housing loan program which lends money at reasonable terms (33 years) and rates (7 1/4% or less) to qualified families (maximum \$12,000 annual income) who desire to build a residence in a rural area (less than 10,000 population).

"The problem pertinent to this bill is that Section 213(b) (2) of the Hawaiian Homes Commission Act must be amended to permit a larger maximum amount. This bill solves that problem."

Sections 213(g), (h), (i) and (j). These are all new provisions in the Act establishing, in addition to the two revolving funds and two special funds presently authorized, four more revolving funds:

Section 213(g) Hawaiian home-farm loan fund. Allocates \$500,000 of moneys heretofore appropriated for use as loans to lessees of agricultural tracts (leased under section 207).

Section 213(h) Hawaiian home-commercial loan fund. Authorizes loans to lessees (under section 207) for theaters, garages, service stations, markets, stores, and other mercantile establishments which shall be owned by lessees or by organizations formed and controlled by them.

Section 213(i) Hawaiian home-repair loan fund. Allocates \$500,000 of moneys heretofore appropriated for use as loans not in excess of \$5,000 to lessees for repairs or additions to homes necessitated by increase in family size, not to exceed 5 years.

Section 213(j) Anahola-Kekaha fund. Allocates \$121,500 of moneys heretofore appropriated for use as loans to lessees who are to become residents of Anahola and Kekaha, Kauai, for home construction on homestead lots, not to exceed \$20,000 for more than 20 years.

The foregoing provisions were included originally in **H. B. No. 2091-72** which have herein been incorporated. Reporting thereupon in **Stand. Com. Rep. No. 270-72**, your Committee on Hawaiian Homes stated:

“Under present law, past legislative appropriations had been spent at the direction of the Chairman of the Department of Hawaiian home lands. In actual practice, the appropriations were placed in revolving funds and expended for the same purposes as enumerated in the newly-created Hawaiian home-farm loan, Hawaiian home-repair loan and Anahola-Kekaha funds. Thus, the creation of these funds by amending certain sections of the Hawaiian Homes Commission Act, 1920, as amended, is to conform to existing practices of the Department of Hawaiian home lands.

“The Hawaiian home-commercial loan fund is to make loans to assist lessees in the operation or erection of theaters, garages, service stations, markets, stores, and other mercantile establishments. Your Committee is aware of the necessity to expand the purposes for which loans can be made and the 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.

“There are already existing funds being used for purposes as enumerated in the newly-created Hawaiian home-farm loan fund, Hawaiian home-repair loan fund and Anahola-Kekaha fund.”

Section 214 Under the Act’s provisions relating to purposes for which loans may be made, “fund” has been changed to “revolving funds” to reflect the foregoing additions; and a new subsection (5) has been added to accommodate the mercantile purposes permitted under the newly-created commercial loan fund.

Section 215. Under the Act’s provisions enumerating conditions and limits of loans generally, home-repair loans made pursuant to the fund created hereby have been exempted therefrom, subject to section 213(i).

As heretofore stated, this bill has been amended by your Committee by also incorporating the provisions of **H. B. Nos. 2497-72, 2496-72, and 2091-72**, respectively. Therefore, because **H. B. No. 819** amended only subsection 213(b), we increased the scope of this bill to include all of sections 213, 214 and 215, to which we also effected other non-substantive and technical changes to language and punctuation.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 819**, as amended herein, and recommends that it pass third reading in the form attached hereto as **H. B. No. 819, H. D. 1**.

Signed by all members of the Committee.

SCRep. 417-72 Judiciary on **H. B. No. 2536-72**

The purpose of this bill is to assure indigent defendants in criminal and related cases of legal counsel in all judicial and relevant administrative proceedings and to expand the Defender Council to reflect the distribution of the State population by counties.

This bill proposed to amend Chapter 705C, Hawaii Revised Statutes, by clarifying and broadening the scope of public defender services to include indigent persons arrested for or charged with a law or ordinance violation and who may be subject to the jurisdiction of the Family Courts, indigent persons whose liberty is threatened in any mental facility, indigent persons whose probation or parole may be revoked, whose terms or conditions of detention raise legal questions in a proceeding, or whose minimum sentence or eligibility for parole is raised in a proceeding. This bill also proposes to allow, subject to review by the court, the public defender to make the determination of indigency, and subject to the approval of the defender council, the State public defender to employ such investigators as may be necessary.

Finally, this bill would expand the Defender Council from five to seven members and provide that the composition of the council shall reflect the distribution of the State population by counties. The latter

provision will increase representatives on the Defender Council from two to four members; neighbor island representation will remain at the minimum of one representative member for each of the counties. It is the intent of your Committee that the implementation of this bill will not result in the removal of existing defender council members but will solely authorize the governor to appoint two additional representatives from Oahu to the defender council.

Your Committee heard on this and other related bills from a wide spectrum of our society including representatives of Citizens for Hawaii, the Hawaii Council of Churches, the Office of the Public Defender, the American Civil Liberties, and the National Association of Social Workers, Inc.

Your Committee amended this bill by adding a new section which enlarges the notification to an indigent of his right to representation. Your Committee believes that important legal rights may be lost unless it is possible to have legal representation at the earliest stage, and that right of representation is cost unless a person is fully aware and capable of exercising his rights.

Your Committee amended this bill by proposing a new H.R.S. Section 705C-6.5 to provide that the attorney general may, on behalf of the State, recover payment or reimbursement from each person who has received, without being entitled to receive, legal assistance or other benefits under this act within two years after the date on which the aid was received.

Your Committee further amended this bill by proposing a new H.R.S. Section 705C-13 requiring the Public Defender to submit an annual report to the Legislature and to each court having criminal jurisdiction in the counties that the program serves. Other amendments made by your Committee are the inclusion of new sections relating to representation in state and federal courts, protections not excluded, and a severability clause.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2536-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 2536-72, H. D. 1**, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 418-72 Finance on **H. R. No. 7**

The purpose of this resolution, as heretofore amended, is to request the Chancellor of the University of Hawaii, Manoa Campus, to consider the recommendations of "various committees" for the improvement of course registration procedures, and to establish policies for the effectuation thereof, including but not limited to registration by mail and advance or pre-registration.

Your Committee received and considered essentially the same testimonies which prompted your Committee on Higher Education to amend this resolution under **Stand. Com. Rep. No. 90-72**. We generally concur with the findings therein contained, and without hereat reiterating the substance thereof, we commend its reading to any who are unfamiliar with this problem of seemingly perennial legislative concern. However, **because** the problem remains apparently unresolved notwithstanding repeated representations by administrators and faculty concerned therewith that the same would receive remedial attention, your Committee is no longer prepared simply to request that persons responsible or interested come up with recommendations for the improvement of course registration procedures. Rather, we are affirmatively prepared to present some proposals of our own.

Your Committee's understanding of the registration problem, stated summarily, is that of "closed sections", which is, simply, a result of the supply and demand phenomenon—too many students seeking out too few "popular" courses. It is the opinion of the Associate Dean of Admissions and Records, and we are inclined to agree, that the pure mechanics of registration, whether it be the method presently used, or by mail (as an alternative suggested in the resolution) or if it is computerized, will not meet the problem of excessive demand over supply. Neither is the solution merely increasing the number of seats for courses most commonly commanded. It is in **balancing** the supply and demand; or more specifically, it is a matter of formulating procedures for the establishment of the demand. Herewith, to achieve that measure, are some means which your Committee believes merit consideration:

(1) **"True" pre-registration.** This method begins by inquiring of students during a cur-

rent semester concerning the courses they need or want during a subsequent semester, followed by preparation of a master schedule of courses, supplying seats and assigning sections. Students are then "loaded" into the courses, either under the present system or by actual generation of each student's weekly schedule, followed, where necessary, by a change of registration to accommodate changes in circumstances which may occur.

(2) **Early registration.** This method involves generating a master schedule as under the present system, but beginning the registration process very early, thereby enlarging the time between groups of registrants for adjusting the master schedule by closing and opening new sections and reassigning rooms and instructors for each subsequent group of registrants. Again, the process should take place during the semester, before the summer and interim breaks, while students are still on campus to allow all an equal opportunity.

(3) **Survey and seat registration.** Under this method, each department conducts a survey of its majors to ascertain the requirements for their degrees and reserves seats for them in the sections announced (leaving them only to locate electives).

It is apparent to your Committee that the success of any of these patterns is in the timing of the generation of the schedule of courses. The mechanical process of loading students into the sections can be adequately achieved by the present method, or by mail or computer (the former being time consuming and the latter extremely expensive).

Your Committee is not unmindful that the procedures suggested may involve considerable costs to implement, and that all may demand staff and faculty time beyond that presently expended on course registration. Until, however, the Legislature is in receipt of the report in the nature of that requested by the resolution, we are not prepared to speculate upon the amount of funding, if any, which may thereafter be made to appear justified for the acquisition of mechanical, electronic or other devices incidental to further improvement.

In the meanwhile, however, your Committee is prepared presently to propose as probable that faculty and students must "sacrifice" substantially more time which they may consider convenient for unrelated extra-curricular activities in order to produce the desired

result. We are without privity to findings, if any, yet made by the Legislative Auditor pursuant to Senate **Spec. Com. Rep. No. 5**, requesting conduct of an audit "of the policies and practices relating to the assignment of instructional workload in the university system" However, if your Committee correctly understands the inferences fairly to be drawn from the testimonies before us on the issues related to registration, then it becomes clear that the situation which this resolution seeks to remedy is caused, in large measure, by a collective inclination of faculty to proclaim instructional immunity during "undesirable" hours of the academic day in favor of such other stated University objectives as research.

This conclusion is not inconsistent with that reached by your Committee on Higher Education in **Stand. Com. Rep. No. 90-72**, aforesaid:

"Your Committee finds that one of the major obstacles in alleviating the registration problem is the split jurisdiction over procedure. Presently, administrators handle the mechanics of registration only, while the deans and faculty decide substantial matters such as courses offered, **times scheduled**, and sections closed. It is the recommendation of the Committee that all three units - administrators, faculty, and students - work together in formulating plans for restructuring registration procedures." (Emphasis added).

We would add to this finding only that, as has already been stated, there is as well a compelling need for student responsibility in both course selection and scheduling; and again we concur with your Committee on Higher Education:

"Your Committee also recognizes the need for student input. It finds that ASUH has not been contacted officially to participate in committees thus far and strongly urges the Chancellor to do so."

Your Committee on Finance has amended the resolution in the following respects: Instead of requesting that the Chancellor merely to "consider all the recommendations made by various committees," we have asked that he "appoint a central committee comprised of members of the various faculty, student, and faculty-student committees considering proposals for improving present course registration procedures, and upon re-

viewing and evaluating its several recommendations, to establish policies that would effectuate more efficiency and effectiveness in the course registration procedures, including but not limited to, and without mutual exclusion of, such methods as "true" pre-registration, 'early registration', and 'survey and seat registration'." Accordingly, to accommodate that which we have resolved, the title has been (again) amended to read: "HOUSE RESOLUTION REQUESTING THE CHANCELLOR OF THE UNIVERSITY OF HAWAII, MANOA CAMPUS, TO APPOINT A CENTRAL COMMITTEE COMPRISED OF MEMBERS OF THE VARIOUS FACULTY, STUDENT, AND FACULTY-STUDENT COMMITTEES CONSIDERING PROPOSALS FOR IMPROVING PRESENT COURSE REGISTRATION PROCEDURES AND TO ESTABLISH POLICIES TO EFFECTUATE IMPROVEMENTS."

Furthermore, your Committee has gone beyond the original request that the recommendations for course registration procedures be submitted to the Legislature, and we have further resolved to request that the policies established actually be implemented as part of the 1972 fall semester, and that the policies and the results of their implementation be reported prior to the next session.

Your Committee on Finance concurs with the intent and purpose of **H. R. No. 7, H. D. 1**, as amended herein, and recommends its adoption in the form attached hereto as **H. R. No. 7, H. D. 2**.

Signed by all members of the Committee.

SCRep. 419-72 Housing and Consumer Protection on **H. B. No. 2400-72**

The purpose of this bill is to amend existing motor vehicle insurance laws as they relate to tort liability arising out of the ownership and use of private passenger motor vehicles.

H. C. R. No. 93, H. D. 1, adopted during the Regular Session of 1971 requested the Legislative Auditor to conduct a systematic analysis of the matter. In Response to the Resolution, the Legislative Auditor's consultant, Haldi Associates, Inc., submitted its report entitled "A Study of Hawaii's Motor Vehicle Program" to the Legislature when the Regular Session of 1972 convened. The report outlines the major reform alternatives

or proposals that have been enacted or under consideration in other jurisdictions.

Your Committee held public hearings on **H. B. No. 1643** proposing complete no-fault together with other alternatives proposed in other bills. As in the Regular Session of 1971, the great majority of persons and representatives of organizations testifying at the hearings were in favor of a partial no-fault system limited to private passenger vehicles only in lieu of the existing system or a complete no-fault plan applicable to all vehicles. Upon consideration of the matter, your Committee agrees with the majority that this important reform to our automobile reparation system should be made incrementally to afford the insuring public, the affected private institutions and public agencies time to gain the necessary understanding and make the necessary adjustments.

In recommending the adoption of **H. C. R. No. 93, H. D. 1**, your Committee in its **Standing Committee Report No. 882** dated April 13, 1971 found 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.

It is now apparent that any insurance plan relating to motor vehicles in and of itself will not reduce automobile accidents, make highways safer, reduce the cost of medical and hospital care, reduce the cost of repairs for automobiles or eliminate the inflationary increase of costs in all areas. These areas may be appropriate subject matters for legislative consideration under separate bills.

Your Committee, however, believes that the recommended partial no-fault plan offers reasonable solutions to the problems or needs as stated above. Although limited to private passenger motor vehicles, the plan will in-

clude approximately 85% of 415,000 plus vehicles registered in the State of Hawaii. Since it is also estimated that 20% of these private passenger motor vehicles are presently uninsured, the compulsory insurance provision of the plan will substantially assure (1) that every person injured as a result of an automobile accident will be promptly compensated without regard to fault, and (2) that every driver will be exempted from tort liability within the limits prescribed by the plan.

While the majority of interested persons endorsed the idea of partial no-fault, they, however, had different recommendations with respect to the various elements that comprise a partial no-fault plan. In the development of a specific plan, all recommendations of interested persons were thoroughly reviewed, and your Committee, after much deliberation, has incorporated as amendments to the short form bill under consideration, the provisions which your Committee deemed most equitable and practical for all interested parties.

As amended, **H. B. No. 2400-72** will affect only private passenger motor vehicles, and the principal changes made to the existing system are as follows:

1. The plan requires all private passenger owners to be insured for no-fault benefits and liability insurance.

2. All insured owners and drivers are exempted from tort liability for accidental bodily injuries sustained by claimants similarly insured; provided that:

a. The total amount paid for loss of income, medical expenses, household expenses, and out-of-pocket expenses does not exceed \$10,000; or

b. The amount paid for medical expenses does not exceed \$2,500; or

c. The victim does not die as a result of the injuries; or

d. The victim does not sustain a serious and permanent dismembering or disfiguring injury.

3. Victims who are injured by uninsured motorist or by a motorist insured by insolvent insurers are covered under an assigned claims plan.

4. The present assigned risk procedure is amended to provide for the administrative sharing of high risks without such applicants being aware of the fact. Insurance cost will be stabilized because many of these high risk applicants who are presently uninsured will be contributing to the insurance program.

5. Legal liability for damages to private passenger motor vehicles caused by an insured vehicle is abolished.

6. Damages to property other than a motor vehicle inflicted by an insured vehicle is paid on a no-fault basis.

7. An insurer is required to issue and renew a policy to an owner except for non-payment of premium, material misrepresentation or when the owner's license is suspended or revoked.

8. Discovery procedures to ascertain extent of injuries or benefits payable are provided.

9. Delays in payments of no-fault benefits are subject to 18% per annum penalty.

10. Disputed claims for no-fault benefits may be resolved by court action or submitted to arbitration.

11. Existing rate making laws are amended and will also require public hearings before rates are approved by the state.

Under the plan a victim is entitled to all medical expenses which includes rehabilitative service, loss of income up to \$600 per month, and up to \$500 for expenses incurred for household services which the victim would have performed. The victim's surviving spouse, children and dependents are entitled to funeral expenses up to \$1,500, all sums due the victim before his death, and loss of income that the victim was earning prior to his death. Additionally, the victim is entitled to out-of-pocket expenses not exceeding \$250 in the aggregate.

All benefits are payable in excess of benefits available under workmen's compensation laws and disability benefits under social security. It is your Committee's intent that except for these statutory collateral sources, all other sources be secondary to the benefit payable under the plan. Your Committee believes that this will benefit the public because private medical and disability rates may be

lowered with the passage of time. It is also more realistic for the automobile insurance to develop its own experience for all injuries that are attributable to automobile accidents. The bill recommended by the Legislative Auditor's consultant makes these sources primary coverage. Upon further reflection, the consultant now concurs with the recommendations of your Committee.

It is also intended that all benefits payable to the victim be subject to a single limit of \$10,000. Except for burial expenses payable, the \$10,000 limitation is also the maximum available to survivors, and if payments are made to the victim and survivors, the intent is to again limit the aggregate payment to \$10,000 in benefits except for funeral expenses.

The final plan recommended by your Committee was reviewed by actuaries from Insurance Service Office, a statistical and actuarial organization in New York City, New York, and they estimate that on the average, the motor vehicle insurance covering bodily injury required under the bill could achieve a saving on the average of approximately 10 to 12% in premiums. Your Committee believes that its no-fault plan is practical and designed to meet the needs of the community.

The bill, as amended, mandates the insurance commissioner to periodically review the motor vehicle insurance program, including an annual review of the premium rates, benefit payments, and insurers' loss experience. To this end, the commissioner may require insurers to report periodically any loss experience and other information necessary for an evaluation of the program. The commissioner shall also prepare and submit to the legislature annually a report containing his evaluation of the program. By this command for a review, evaluation, and report, it is intended that a disciplined effort will be pursued by the commissioner to effect efficiency and cost savings in the carrying out of the program by the insurers, ultimately reflecting in lower insurance premiums and improved services to the consumer.

Your Committee on Housing and Consumer Protection is in accord with the intent and purpose of **H. B. No. 2400-72**, as amended herein, and recommends that it pass Second Reading in the form attached

hereto as **H. B. No. 2400-72, H. D. 1** and that it be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Uechi, Wasai and Young.

SCRep. No. 420-72 Legislative Management

Informing the House that **Standing Committee Report No. 419-72, House Resolution Nos. 319 to 329, House Concurrent Resolution Nos. 41 to 43, and Standing Committee Report Nos. 421-72 to 439-72**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. No. 421-72 Higher Education on H. R. No. 15

The purpose of this resolution is to request that the College of Tropical Agriculture of the University of Hawaii conduct a study on export restrictions on certain Hawaiian-grown agricultural commodities for the purpose of recommending possible changes in the Federal regulations to the Congress of the United States.

Your Committee finds that the limiting factor in the exportation of many of Hawaii's agricultural products is the U. S. Department of Agriculture, Plant Quarantine Division Regulation No. 318.13 entitled "Hawaiian and Territorial Quarantine Notices". These regulations were enacted in 1912 and have been revised periodically with the last revision occurring in 1968.

Your Committee further finds that the types of insects here in Hawaii are a major factor in determining the export restrictions now practiced. For the past fifteen years Hawaii has averaged sixteen new accidental insect introductions into the State each year. Due to the high rate of introduction, the list of insects in Hawaii may vary causing possible changes in the export restrictions.

Your Committee notes that State and Federal organizations have been cooperating in research programs to develop new treatments or other preventative measures which may render the commodity safe for export. Such developments may lead to significant changes in the Federal export regulations.

Your Committee realizes that the diversified agriculture and agricultural export market is a growing industry in Hawaii. However, although the market would greatly add to the agricultural industry as well as the economy of the State, expansion is hindered by the Federal regulations. A careful review of these regulations may result in the lifting of some restrictions which, in turn, would greatly aid in the development of this market.

Your Committee heard testimony from the College of Tropical Agriculture, State Department of Agriculture, Board of Agriculture, and a business firm in the field of diversified agriculture and sugar. All were in accord with the intent and purpose of this resolution and urged its passage.

Your Committee on Higher Education concurs with the intent and purpose of **H. R. No. 15** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 422-72 Lands on **H. R. No. 211**

The purpose of this resolution is to request the Department of Land and Natural Resources to make available facilities and land areas and incorporate it into the state outdoor recreation and state park program — suitable for off-road motorcycle trail riding and other such off-road motorcycle sport activities.

Your Committee finds that motorcycle riding has increased in popularity in the last few years and as a result there has been a phenomenal increase in the number of motorcycle enthusiasts. The fact that it has also become a socially accepted leisure time activity has prompted many families to participate in this sport. Unfortunately, however, to date there are no established areas suitable to motorcycle riding on an organized or individual basis. The result has been riding illegally on private or state lands with no emphasis on safety or rules and regulations governing the activity.

According to Mr. Sunao Kido, Chairman of the Board of Land and Natural Resources, the State currently has suitable areas for motorcycle riding in the Wailee section of Oahu. Under lease to the United States Army Hawaii, the contract for this land has a provision authorizing the State to use the area (approximately 400 acres) on weekends and

holidays. In conjunction with the Hawaii Motorsports Association, a non-profit organization incorporated under the revised laws of the State of Hawaii, the State is willing to open the area to the organization on weekends and holidays, at no cost to the State, for motorcycle riding through the issuance of a riding permit, providing that the organization be responsible for the management of the area and supervision of the activity.

Your Committee on Lands concurs with the intent and purpose of **H. R. No. 211** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 423-72 Lands on **H. R. No. 300**

The purpose of this resolution is to request a study on the feasibility of making available land for park purposes in the Pearl City area. The parcel of land to be considered contains twenty-two acres and is located opposite Pearl City High School.

Your Committee on Lands concurs with the intent and purpose of **H. R. No. 300** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 424-72 Public Employment on **H. R. 244**

The purpose of this resolution is to encourage various departments of the State Government who assist the public to have on their staff personnel with foreign language capabilities.

Your Committee has been reminded that a great number of our citizens are not proficient in English and this may be a major obstacle for these citizens in seeking assistance, guidance and help from State agencies which are established to assist all of the people of Hawaii. Regardless of their abilities to speak English all citizens are entitled to the same benefits.

Your Committee on Public Employment concurs with the intent and purpose of **H. R. No. 244** and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. No. 425-72 Public Employment on H. R. No. 273

The purpose of this Resolution is to request the House Committee on Public Employment to conduct an interim study leading toward amendments to Chapter 89, Revised Laws of Hawaii, providing for collective bargaining and public employment.

It has now been two years since the passage of Act 171, Session Laws of Hawaii 1970, establishing collective bargaining for public employees. During that time labor, government and the public have had a chance to reflect on the meaning and effect of its provisions. Most importantly however, we have had some meaningful experience particularly in the bargaining for teachers' salaries. Your Committee feels that the recent experience with the teachers' negotiations and further experience which will be obtained in other negotiations during the interim, can be used as a base to clarify and refine the law with respect to bargaining for public employees

Your Committee on Public Employment concurs with the intent and purpose of **H. R. No. 273**, and recommends that it be referred to the Joint Select Committee on Kauai, Maui, Oahu and Hawaii Representatives.

Signed by all members of the Committee.

SCRep. No. 426-72 Military and Civil Defense on H. R. No. 47

The purpose of this Resolution is to request Operation F.R.E.S.H. to submit its findings to the House Committee on Military and Civil Defense.

It is estimated that approximately twenty-five per cent of the land on the Island of Oahu is held by the federal government, primarily for military use, and the extent to which these lands are not needed for federal purpose is being studied by Operation F.R.E.S.H. The return of excess federal lands to the State will materially lessen the critical housing shortage and enable the construction of other public facilities for our citizens.

Since a similar study was required of all federal agencies in the Admissions Act of March 18, 1959 (P.L. 86-3), Operation F.R.E.S.H. is long overdue. Your Committee believes that the study should be made available without delay.

Your Committee on Military and Civil Defense concurs with the intent and purpose of **H. R. No. 47**, and recommends its referral to the Committee on Housing and Consumer Protection.

Signed by all members of the Committee.

SCRep. No. 427-72 Military and Civil Defense on H. R. No. 160

The purpose of this Resolution is to urge both state and federal government officials to support Congressional legislation which would extend the benefits of survivor benefits, reenlistment bonus, proficiency pay, medical/dental and death benefits, and early reserve retirement to Guardsmen, as well as other benefits which could be granted without additional expenditures on the part of the military services, such as post exchange and commissary privileges.

Your Committee is in accord with General Webster's statement which recognized the Presidential administration's commitment to an all volunteer force by July 1973, and thus called upon us to begin to attract young men both to the regular and to the reserve forces of the nation. Providing the Guardsmen with these needed benefits is one step toward the goal of attracting others to serve. Regardless of the recruitment factor, however, the citizens of this country owe it to our citizen-soldier Guardsmen to provide them with adequate incentives in terms of pay, privileges, and benefits. Your Committee also recognizes the support of National Guardsmen who testified in favor of the intent of this Resolution.

Your Committee has amended **House Resolution 160** as follows:

(1) Amended the tenth paragraph to read: "BE IT RESOLVED by the House of Representatives of the Sixth Legislature of the State of Hawaii, Regular Session of 1972, that the President of the United States, the Secretary of Defense of the United States, the Governor of Hawaii, and the members of Hawaii's Congressional Delegation are hereby requested to support Congressional legislation which would extend the benefits of survivor benefits, reenlistment bonus, proficiency pay, medical/dental and death benefits, and early reserve retirement to the Guardsmen;"

(2) Added a paragraph between paragraphs ten and eleven to read: "BE IT FUR-

THEY RESOLVED that they work toward the passage of legislation which would allow National Guardsmen everywhere those needed benefits and privileges which can be granted readily without additional expenditures by the military services such as the use of post and base exchanges and military commissaries, and military travel;”

(3) Amended paragraph eleven to read: “BE IT FURTHER RESOLVED that certified copies of this Resolution be transmitted to the President of the United States, the Secretary of Defense of the United States, the Governor of Hawaii, and the members of Hawaii’s delegation to the United States Congress.”

Your Committee on Military and Civil Defense is in accord with the intent and purpose of **H. R. No. 160** as amended herein and recommends its referral to the Committee on Finance in the form attached hereto as **H. R. No. 160, H. D. 1.**

Signed by all members of the Committee.

SCRep. No. 428-72 (Majority) Higher Education on H. B. No. 2582-72

The purpose of this bill is to establish the Young Farmer Program under the office of the State Director of Vocational Education at the University of Hawaii. The bill also requests that the Director coordinate and direct the program on a State-wide basis, and that he may contract with the Department of Education for necessary services to carry out the program.

The Young Farmer program was started in 1947 under the auspices of the Agricultural Education Services of the then Department of Public Instruction, now the Department of Education. The primary purpose then was to provide agricultural instruction to returning veterans. Eventually, the program was opened to any interested part-time or full-time farmer, desiring agricultural and related instruction. Other opportunities for leadership were organized, including Young Farmer chapters and a State association.

At present, there is need to re-establish the Young Farmer program in an office having a State-wide base of operation. Up to and including FY 1971, the program was centered in the Department of Education, Office of Instructional Services, Agricultural Education Service. The Department of Education

now centers its State-wide functions on activities from kindergarten through grade twelve. Many of the post-secondary and collegiate functions of the Young Farmer program, therefore, need to be undertaken by a higher education institution with State-wide scope. The University of Hawaii provides this through its State-wide vocational director and its system of campuses.

The following brief based on the 1968 **State Master Plan for Vocational Education** was presented to your Committee in support of the Young Farmer program and its operations:

Program Description

The Young Farmer Program is for adult part-time and full-time farmers. It is designed to improve their communicative skills, farming, leadership, and leisure time activities. The program includes:

1. Instruction in agriculture and related subjects.
2. Chapter activities including leadership training, community services, social and recreational programs.
3. State association activities including State conventions.
4. Supportive services to the secondary day-school program in agriculture.

Objectives of the Hawaii Young Farmer Association

The primary objectives of the Young Farmer Association are:

1. To provide agricultural and related instruction to adult part-time and full-time farmers of the State.
2. To develop leadership abilities and improve communication skills through chapter and association activities.

The specific objectives of the Young Farmer Program are:

1. To develop agricultural leadership.
2. To provide opportunities for rendering community service to local community, particularly along the lines of agricultural betterment and improvement of rural living.

3. To develop attitudes, interests and understanding of cooperative procedures, principles and practices in conducting an agricultural enterprise.

4. To develop appreciation and understanding of the importance of active participation and support of functional organization for the betterment of agriculture.

5. To increase efficiency of agricultural operations through systematic instruction of part-time and full-time farmers in production techniques, management, financing, technological developments, marketing, legislations and laws.

6. To develop proper understanding of and appreciation for services rendered by various agencies which are responsible to assist the orderly progress of agriculture in the State.

7. To plan and conduct activities that will meet the social and recreational needs of part-time and full-time farmers.

8. To assist secondary students in agriculture in the development of individual occupational experiences in agricultural careers.

Young Farmer Program Activities

1. **Young Farmer Classes** — Part-time evening classes are held to give instruction to young farmers at various schools where Young Farmer chapters are organized. Instruction is centered on needs and interests of young farmer enrollees, and follows a planned sequence, usually held in the vocational agriculture classroom of the various high schools, and is conducted by agricultural instructors, specialists, and others. Classes are usually of two or three hours' duration per session and the number of sessions may run as much as fifteen per year. The time and frequency of classes are worked out between instructor and enrollees. All instructors are compensated at a rate set by the Department of Education (\$7.50 per hour).

2. **On-the-Farm Instruction** — On-the-farm instruction is given to young farmers by chapter advisers. Individualized instruction and advice are given by advisers (generally agriculture instructors) on production techniques, technological developments, management, financing, farm layout, master planning and others. Advisers are compen-

sated for time spent in carrying out on-the-farm instruction.

3. **Chapter Meetings** — Chapter meetings are held monthly. The time and place is set at the discretion of the executive committee of each chapter. Chapter advisers supervise these meetings. Chapter advisers are compensated for time spent in supervising these meetings.

4. **State Convention** — State conventions are held annually under the auspices of the Hawaii Young Farmer Association. Each chapter is represented by delegates. The primary purpose of the convention is to discuss association matters. There is a great deal of exchange of ideas relating to farming between members of various chapters. Various awards are also made at the convention to recognize outstanding achievements by individual members and chapters. Families of members also attend these conventions. Chapter advisers accompany members to these conventions.

There is a need, according to State Vocational Director Samson Shigetomi, to update and revise certain sections of this master plan. Your Committee concurs with this indication, and asks that the Young Farmer program be considered in this light. There is need to define the "collegiate" nature of certain functions, and to clarify the articulation between secondary and post-secondary programs. Moreover, this articulation needs to be done on a systematic, State-wide basis.

Your Committee on Higher Education is in accord with the intent and purpose of **H. B. No. 2582-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee. Representatives Unemori, Wasai and Uechi did not concur.

SCRep. No. 429-72 Lands on **H. B. No. 1965-72**

The purpose of this bill is to prevent, for a period of one year, the reconsideration of any petition that has been decided adversely for the petitioner by the land use commission. Even after the year has elapsed, reconsideration of a petition on the same matter may be granted only upon a showing of changed circumstances.

Under existing laws, petitions are generally submitted by developers to change the zoning of an area or to seek a variance. When these petitions are denied, the petitioners are allowed to reapply within a relatively short period of time. Such a practice has resulted in the loss of many hours and much cost to the City and County and State governments and to individual citizens in the consideration and processing of repetitious applications that may have been disapproved for good reason.

Your Committee on Lands is in accord with the intent and purpose of **H. B. No. 1965-72** and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. No. 430-72 Lands on **H. B. No. 2144-72**

The purpose of this bill is to amend Section 183-41, Hawaii Revised Statutes, to provide that the use of land in a conservation zone for utility purposes shall not be considered as use for a "commercial purpose".

Under existing laws, a public hearing is required in every case involving proposed use of land in a conservation zone for commercial purposes. Existing laws do not clearly indicate whether or not use of land for utility purposes is use for commercial purposes.

Your Committee recommends that the change be effected. A commercial purpose, as normally construed, refers to a business established and operated by a private concern, based primarily on the profit motive. A utility company on the other hand, is quasi-public in nature and functions under franchise rights and governmental regulations as to rates and other matters.

Furthermore, your Committee has been informed by the Board of Land and Natural Resources that, as a matter of course, their staff initiates and conducts investigations whether or not a commercial use is contemplated within the conservation zone. These investigations are not limited to interdepartmental matters, but encompass agencies, individuals and organizations, outside the department.

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

2144-72 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. No. 431-72 Lands on **S. B. No. 1498-72**

The purpose of this bill is to amend Section 191 of the Hawaii Revised Statutes to authorize the Department of Land and Natural Resources to make and amend rules and regulations pursuant to Chapter 91 of the Hawaii Revised Statutes with regard to the propagation of wild birds. The rules and regulations would pertain to the conditions for obtaining a written permit in this regard.

Your Committee believes that the propagation of wild birds is an important aspect of our environment. Without the power to restrict harmful practices in this regard, the Department of Land and Natural Resources would be prevented from exercising its proper responsibility.

Your Committee on Lands is in accord with the intent and purpose of **S. B. No. 1498-72** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 432-72 Judiciary on **S. B. No. 1422-72**

The purpose of this bill is to relieve the husband of personal responsibility for the tortious acts of his wife.

Your Committee on Judiciary is in accord with the intent and purpose of **S. B. No. 1422-72** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 433-72 Judiciary on **H. B. No. 1845-72**

The purpose of this bill is to prohibit discrimination in real property transactions because of tenant organizational activity.

This bill would make it a discriminatory practice for an owner or some person engaged in real estate to refuse to deal or negoti-

ate with individuals who are tenants and who seek to or have organized or aligned themselves with an organization for the purpose of furthering their interests as tenants in residential landlord and tenant matters.

Your Committee heard on this bill from a wide spectrum of our society including the Department of Regulatory Agencies, tenant organizations, and the Hawaii Association of Real Estate Boards—all of whom endorse the passage of this bill to improve and strengthen our “Fair Housing” law.

Your Committee amended Section 1 of this bill to eliminate reference to pending legislation and to define the word “tenant” as any person who, under a rental agreement, occupies a structure, or part of a structure, which is used as a home, residence, or sleeping place by one person or by two or more persons maintaining a common household to the exclusion of all others.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 1845-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1845-72, H. D. 1**, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 434-72 (Majority) Finance on **H. B. No. 1672-72**

The purpose of this bill is to reappropriate the sum of \$30,000 of the \$330,000 appropriated to the University of Hawaii for curriculum development during 1971-72 by Act 68, Session Laws of Hawaii, 1971, to be expended by the University for the fiscal biennium 1971-73 to initiate the research and development phase of a program based on open educational opportunities with options

leading to college degrees, which shall be planned on a flexible, state-wide basis.

The prospects and purposes of the so-called “open university” and “external degree” programs involve, as your Committee understands them, interrelated concepts intended to achieve equality of educational opportunity for all persons. The various models and distinctions are exhaustively identified and analyzed by your Committee on Higher Education reporting hereupon in **Stand. Com. Rep. No. 266-72**.

Therefore, we shall not again detail the same here, but briefly reiterate their possible relevance to the situation in our State as represented by University of Hawaii President Harlan Cleveland at the hearing hereof before your Committee: One concept, usually called “open university”, defines the prospect that higher education can be effectively delivered to those who cannot, or for good reasons do not choose to, attend regular classes in on-campus daytime academic credit programs, or evening classes based on the same classroom format. The other concept, which has come to be known as “external degree”, defines the prospect that the university might well grant advanced standing and even academic degrees for experience that has ascertainable educational value even if it does not take the form of classroom attendance and formal academic teaching, or as was said in his testimony: “What we propose to do . . . is to find ways to measure the educational benefits of experience, and award degrees accordingly.”

It is estimated that a serious study of these concepts and their application to Hawaii, and the development of a “plan of action” based upon such a study will cost about \$100,000. Funding and staff requirements for the study are as follows:

Personnel		
Research and Development Director	\$ 15,000	
Curriculum Specialist	15,000	
Management Specialist	15,000	
Survey Specialist	7,500	
Fiscal Specialist	7,500	
Statistical Specialist	8,000	
Secretarial	7,000	
Student Help	2,500	
		77,500
Consultants		10,000
Travel		5,000
Office Supplies		2,500
Office Rental		5,000
		<hr/>
Total		\$ 100,000

According to President Cleveland, the University is already "well along" in trying to raise \$70,000 of this sum from private foundations. Following a meeting with a consortium of four foundations based in Hawaii, two have made special provision to assist with this project, and the other two will be considering the request during the next few weeks. It has been proposed that the State furnish \$30,000 of the cost needed to conduct the proposed study.

In **Stand. Com. Rep. No. 266-72**, aforesaid, it is said:

"Your Committee notes that high priority is given by the University to the one-year research and development phase of open university possibilities. Curriculum development monies authorized, appropriated, and allocated - but not released by the Governor - have been selected by the University for the initial commitment. These funds totaling \$330,000 were authorized for innovative projects in educational development consistent with our rapidly changing technology. Of this total, the University is requesting \$30,000 for the one-year study.

"Your Committee thus realizes that no new funds are being requested for the study this session; hence, it urges the University to negotiate with the State Administration for the release of the funds. The \$30,000, when released, will initiate the study the University plans to submit to the 1973 Legislature.

"Your Committee recommends, therefore, that the purpose of the bill rather than being directed to granting a certain appropriation be directed to initiating the research and development phase of the concept of the "open university" at the University of Hawaii, given existing State-wide plans for the College of Continuing Education, four-year campuses and community colleges."

In these findings and recommendations of your Committee on Higher Education we concur, but with added emphasis that this reappropriation represents "research and de-

velopment" money only (although we would have preferred use of the phrase "survey research", the former carrying a sense of commitment to implementation related to planning-programming and budgeting). Therefore, as to the seven (7) positions anticipated as necessary to perform the study, whether they be hired or retained, it is to be provided as a condition of employment that the same shall be for the research and development phase of this study, only.

Your Committee amended the bill by including references to "open university" and "external degree" in the statement of findings and purpose of section 1, and section 2 was amended by providing for the reappropriation as herein described in the sum of \$30,000.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 1672-72, H. D. 1**, as amended herein, and recommends that it pass third reading in the form attached hereto as **H. B. No. 1672-72, H. D. 2**.

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

SCRep. No. 435-72 Select Committee of Kauai Representatives, Maui Representatives, Oahu Representatives and Hawaii Representatives on **H. B. No. 1950-72**

The purpose of this bill is to provide reasonable procedures for a citizen to inspect and correct public records about himself. Upon inspection of the records, the person wishing to correct, update, or explain information in such records may file a request for change with the Ombudsman. If the Ombudsman determines that the correction, updating or explanation is valid, he would correct, update or explain the information contained in the record by attaching an amendment to the record.

Your Committee has amended this bill by requiring the Ombudsman to give the applicant official notification that the correction or updating of records has been completed; or if the applicant's request is found invalid, this information would also be given to the applicant.

Your Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives is in accord with the intent and purpose of **H. B. No. 1950-72**, as amended herein, and recom-

mends that it pass Second Reading in the form attached hereto as **H. B. No. 1950-72, H. D. 1** and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 436-72 Finance on **H. B. No. 1959-72**

The purpose of this bill, as limited by amendment herein, is to allow any employee who was subject to the federal retirement system and was a member of the State employees' retirement system on July 25, 1971, to retain all benefits which accrued from such membership and to continue membership in the State system.

July 25, 1971, is the date as of which the board of trustees terminated contributions to the retirement system from certain professional employees of the University of Hawaii cooperative extension program, numbering 36, who were then members of both the federal and State systems. This action was prompted by an opinion of the attorney general (Op. No. 71-10) which has interpreted Sec. 88-49, Hawaii Revised Statutes, to prohibit dual participation. That provision is to the effect that where an employee's salary is paid partly from federal funds but he is not subject to the federal retirement system he is required to participate in the State system.

Your Committee has been given to understand that the cooperative extension professional employees are the only members of the system similarly situated; and that although they are members of the federal system, they are commonly treated and considered as regular employees of the State, receiving their direction and guidance from the University administration and being paid by checks issued by the State. Moreover, an argument may be made for the proposition that it is not a portion of these employees salaries which is being paid from federal funds, but rather that such moneys are applied to fund the programs and projects whereat such members are employed.

As introduced, the bill went further than to afford legislative authorization for reinstatement to those members who had been terminated for dual participation. Section 2 proposed to allow any employee who was subject to the federal retirement system at the time of enactment hereof and denied membership pursuant to Sec. 88-49, the right to

elect membership including purchase of service credit for the period during which he was denied membership because of being subject to the federal system, provided an election is made prior to December 31, 1972.

Your Committee amended the bill as follows:

1. In section 1, at lines 4-5, the phrase "shall retain," referring to benefits which accrued prior to termination, was changed to "shall be entitled to retain" as in conformity with the tenor of the next ensuing clause referring to status of membership, which the employee "shall be permitted to continue"

2. In section 2, the material between lines 8 through 13, allowing any employee who was subject to the federal retirement system at the time of enactment hereof and thereby denied membership, as aforesaid, to elect membership, was deleted.

3. The remainder of section 2, allowing the purchase of service credit for the period such employees were denied membership because of being subject to the federal system, as aforesaid, was incorporated into section 1; except that (a) in line 14 the word "acquire" was substituted for "purchase", and the word "credit" was added to the provision allowing attainment as membership credit the period for which membership was denied, and (b) that the election so to do, provided for in lines 17-18, "shall be made before January 1, 1973," (vice that "he makes such election prior to December 31, 1972.").

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 1959-72**, as amended herein, and recommends that it pass third reading in the form attached hereto as **H. B. No. 1959-72, H. D. 1**.

Signed by all members of the Committee.

SCRep. No. 437-72 (Majority) Finance on **H. B. No. 2524-72**

The purpose of this bill, by amendment to the public land laws, is to authorize the board of land and natural resources to acquire, by lease, direct purchase or eminent domain, private property for agricultural purposes, including but not limited to, agricultural parks.

Section 1 of the bill expresses a legislative finding, which is essential to justify the enactment of this measure, that:

“[T]here is a growing scarcity of agricultural lands throughout the State caused by urban encroachment which has made it difficult for agricultural enterprises to survive and has caused the erosion of the agricultural base of the economy; that urban encroachment has caused the unplanned relocation of livestock operations many times in the past twenty years; that urban plans have not placed the necessary emphasis on agriculture and location of agricultural enterprises to insure the survival of agriculture; that there is a need for agricultural land-use planning, particularly, the planning of alternative uses for lands such as Kahuku which have been phased out of sugar without clear use alternatives; and that **the acquisition of private property for agricultural purposes is a public purpose or use** necessary to facilitate sound agricultural land-use planning.” (Emphasis added).

Section 2 of the bill adds several new sections to Chapter 171, Hawaii Revised Statutes, “Public Lands”, as follows: (1) **Acquisition**, authorized by the board of land and natural resources as stated in the purpose of this bill, aforesaid. (2) **Definition of agricultural park**, being “any planned agricultural complex which combines and concentrates in a common location a number of agricultural activities for the purpose of realizing production and distribution economies,” which includes “agricultural buildings, farm residences, and employee dwellings necessary to the production and distribution of agricultural commodities.” (3) **Disposition**, whereby the board of land and natural resources is authorized, by **lease only**, to directly dispose of such land “by negotiation and without recourse to public auction,” subject to certain constitutional and statutory standards; and provided that the land is used for agricultural purposes, that the lessee derive the “major portion” of his income from activities thereon, and that he comply with federal and State environmental quality control and such other terms and conditions as may be set by the board. (4) **Applicants**, to be eligible to apply, must qualify under section 171-68 (resident, bona fide farmer, etc.). (5) **Preference right**, being afforded to “a displaced farmer . . . or any

farmer whose farm is located in a zoning district where such use is a non-conforming use.”

Your Committee on Finance heard and considered essentially the same testimonies as were presented to your Committee on Lands which, reporting hereupon in **Stand. Com. Rep. No. 200-72**, concluded:

“In effect the scarcity of prime agricultural lands throughout the State, due to urban encroachment, has made it difficult for agricultural enterprises, particularly livestock activities, to survive. A typical example is the recent forced relocation of the Kalama Valley hog farmer. Other problems confronting livestock farmers are short-term leases and difficulties in complying with new State and Federal environmental quality control legislation.”

Furthermore:

“According to Mr. Toshio Serizawa, Governor’s Agricultural Programs Coordinator, a major item of this legislation will be the provision of permanent locations for agricultural enterprises, relatively free from urban encroachment and sound from an environmental standpoint either through outright purchase or long-term lease by the State. With sound planning, several similar agricultural activities could be placed in one of these locations; the result of which would be termed an “agricultural park”. Such situations would serve two purposes: 1) provide farmers with security of tenure; 2) provide farmers with economies of production because costs of common use facilities would be shared jointly rather than on an individual basis. In addition, it would provide a solution to the problem faced by livestock farmers on Oahu, that of forced relocation due to urbanization and environmental pressures.”

In testimony before your Committee on Finance, Mr. Serizawa expressed concern that the purpose for this bill has been misconstrued as applicable to the Island of Oahu and more particularly to development of an agricultural park in Kahuku. This interpretation has resulted, no doubt, from a provision in **H. B. No. 1972-72**, the administration’s capital improvements bill, item 4 of which under the department of land and natural resources requests a \$1,000,000 appropriation for:

“4. Agricultural Park Subdivision, Oahu — Plans and construction of on-and off-site improvements for development of agricultural lots, including acquisition of land by purchase fee simple or lease.”

That provision is intended for the proposed Kahuku project; but **this** bill is simply the enabling legislation therefor, and, according to Mr. Serizawa, for other anticipated and prospective projects throughout the State.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 2524-72** and recommends that it pass third reading.

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

SCRep. No. 438-72 Finance on **H. C. R. No. 19**

The purpose of this concurrent resolution is to reaffirm the Legislature’s commitment to the development of a baccalaureate degree-granting college in West Oahu, and to request (1) that the University expedite its planning process, and (2) as heretofore amended, that the Board of Regents recommend a site for the campus. Detailed educational plans for the campus and physical development plans for the site are to be submitted by the University and Board of Regents, respectively, to the next Legislature.

As indicated in **Stand. Com. Rep. No. 229-72**, reporting hereupon, the need for another baccalaureate degree-granting college on Oahu, particularly to serve the Leeward-Central area, has become all the more evident during the past year. The community colleges continue to grow, the Manoa Campus is near its 23,000 capacity, and the number of high school graduates is increasing, especially in West Oahu.

According to the Chancellor, some progress has been made during this past year. The campus has been given a name—West Oahu College; its general nature has been more clearly delineated—e.g., undergraduate, 7,500 capacity, largely commuter—and a committee of students, faculty, and community members is now deciding on its specific programs and curricula.

We will not attempt to emulate the efforts of your Committee on Higher Education in

its report hereupon, aforesaid, and we commend its detailed reading to any concerned with the question of a second campus on Oahu. Your Committee did, however, effect certain spelling and punctuation corrections throughout the resolution, and we eliminated the inappropriate use of the Ramseyer technique employed to accomplish the amendments heretofore made.

Your Committee on Finance concurs with the intent and purpose of **H. C. R. No. 19, H. D. 1**, as amended herein, and recommends its adoption in the form attached hereto as **H. C. R. No. 19, H. D. 2**.

Signed by all members of the Committee.

SCRep. No. 439-72 Finance on **H. R. No. 118**

The purpose of this resolution is to request the State Highway Safety Coordinator to coordinate a joint effort for the development of a bicycle safety program by representatives of the State Highway Safety Council, the Department of Education, the Department of Health, the County Police, Traffic, and Highway Safety Agencies, and the various bicycle organizations throughout the State, and to report the joint recommendations to the Legislature twenty (20) days before the 1973 Regular Session.

The resolution states that increasing numbers of people are encouraged to ride bicycles which “necessitates due consideration for safety factors, particularly when bicycle and motor vehicle traffic are mixed whereby bicycle riders are vulnerable to injury resulting from accidents.

Support herefor was expressed before your Committee by the State highway safety coordinator and many of the departments and agencies with whom he is to coordinate development of the safety program, for which there is no funding required.

Your Committee on Finance concurs with the intent and purpose of **H. R. No. 118** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 440-72 Legislative Management

Informing the House that **House Resolution Nos. 330 to 359, House Concurrent Resolution Nos. 44 to 50, and Standing**

Committee Report Nos. 441-72 to 462-72, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 441-72 Public Institutions on **H. C. R. No. 17**

The purpose of this Concurrent Resolution is to request the legislative auditor to study welfare assistance in related programs operating in the State. Your Committee finds that there is growing evidence of inconsistencies and conflicts within and among the regulations of the several agencies engaged in public assistance programs which seriously hamper the efficient and effective execution of on-going programs and which would frustrate the implementation of any reforms forthcoming.

Your Committee is also worried about the staggering rise of public welfare costs in this State and the fact that there is little assurance that expenditures are producing the results intended. This makes it imperative that the State examine and reform its own current welfare assistance-related programs even as reforms are considered at the national level.

Your Committee on Public Institutions concurs with the intent and purpose of **H. C. R. No. 17** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 442-72 Joint Select Committees of Kauai Representatives, Maui Representatives, Oahu Representatives and Hawaii Representatives on **H. R. No. 81**

The purpose of this Resolution is to request the Department of Land and Natural Resources to study the possibility of restricting certain beach areas from fishing activities for given periods of time to allow for the replenishing of marine life. This resolution further requires a report to the Legislature twenty days prior to the opening of the Regular Session of 1973.

Your Committee has amended this resolution so as to delete redundancy.

Your Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives concurs with the intent and purpose of **H. R. No. 81**, as amended herein, and recommends its referral to your Committee on Lands in

the form attached hereto as **H. R. No. 81, H. D. 1.**

Signed by all members of the Committee except Representatives Kato and Aduja.

SCRep. 443-72 Housing and Consumer Protection on **H. R. No. 169**

The purpose of this resolution is to request the Hawaii Housing Authority to expedite the construction of housing for the elderly in Kona, Hawaii because of the acute shortage of facilities for the elderly in the Kona District. The Hawaii Housing Authority has testified that they are in the first phase of a feasibility study for the construction of 32 units for the elderly in the Kona District and are in favor of this resolution.

Your Committee on Housing and Consumer Protection concurs with the intent and purpose of **H. R. No. 169** and recommends its referral to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 444-72 Housing and Consumer Protection on **H. B. No. 2263-72**

The purpose of this bill is to authorize the creation of a nonprofit corporation for housing development within the state government.

This nonprofit entity can do all things necessary to create low and moderate income housing in the community. Presently, the Hawaii Housing Authority, by legal interpretation of the federal Department of Housing and Urban Development, may not sponsor FHA Section 236 housing for low and moderate income tenants. This nonprofit corporation, if it is created, can function in that area.

Your Committee feels the creation of this nonprofit corporation can also be used to encourage the formation of other nonprofit entities on other islands and to assist them with technical expertise.

Your Committee on Housing and Consumer Protection is in accord with the intent and purpose of **H. B. No. 2263-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 445-72 Housing and Consumer Protection on **H. B. No. 2359-72**

The purpose of this bill is to reflect technical changes in Act 105 recommended by Mr. Leo Sabatine of Wood, Kind, Dawson and Sabatine, bond counsel for the State of Hawaii. The specific changes shall be discussed below on a section by section basis.

Section 1 of this bill redesignates and amends Section 356-39, Hawaii Revised Statutes, (Act 239, Session Laws of Hawaii 1969) to bring it within Chapter 359G (Act 105, Session Laws of Hawaii 1970). It is believed that the long term low interest mortgage assistance program established by Act 239 is closely akin to the programs set forth in Act 105. This bill also clarifies the section by specifically authorizing interim construction loans. Interim loans are currently allowed under the Authority's Rules and Regulations but it is recommended that they be authorized legislatively. The General Obligation Bond Funds authorized by Act 239 are placed in the Dwelling Unit Revolving Fund created by Section 359G-10. The bill deletes the requirement that assistance for aid may not be furnished without the consent of the County governmental agency within whose jurisdiction the project is located. Placement of this program within Act 105 renders such requirement unnecessary, since Act 105 contains provisions for county government approval.

Paragraph 1 of Section 2 of the bill makes a technical change to Section 359G-5 in order to prevent development of housing which would endanger the receipt of any federal grant or prevent the participation of the federal government in any program.

Paragraph 2 of Section 2 amends Section 359G-7 to establish an interest rate for interim loans in cases where general obligation bonds for the project have not yet been issued. In its present form Act 105 is silent in this regard.

Paragraph 3 of Section 2 amends Section 359G-9 to clearly state that in any case involving a mortgage insured by the Federal government there shall be no restrictions on the transfer of the unit after a period of ten years have elapsed from the date it was sold by the Authority. This change is necessary because FHA will not insure any mortgages on units subject to transfer restrictions for a longer period.

Paragraph 4, 6 and 7 of Section 2 involve technical changes to Sections 359G-10, 359G-20 and 359G-29. The effect of these paragraphs is to create for administrative purposes one dwelling unit revolving fund rather than a number of funds. The amendments do not change the amount of bonds authorized for various purposes in the stated sections. For example, \$20,000,000 of the dwelling unit revolving funds is still available only for down payment loan purposes, but such amount will be administered as part of one revolving fund.

Paragraph 5 of Section 2 authorizes the Authority to enter into certain guarantee agreements with Federal officials for a period not to exceed five years. The purpose is to allow the Authority to assist persons who otherwise would be ineligible for FHA mortgages because of credit standing and related reasons but who the Authority finds would be satisfactory credit risks if they were to receive appropriate counseling. This provision greatly assists persons with credit problems but involves minimal exposure on the part of the State.

Paragraph 8 of Section 2 is a highly technical provision recommended by the State's bond counsel. Its purpose is to avoid any IRS ruling to the effect that general obligation bonds sold for housing purposes are arbitrage bonds as that term is defined in the Internal Revenue Code. Such a ruling would mean that the interest on the bonds would be taxable to the holders thereof. This would significantly affect the price at which the bonds could be sold.

Your Committee on Housing and Consumer Protection is in accord with the intent and purpose of **H. B. No. 2359-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 446-72 Education on **H. B. No. 1841-72**

The purpose of this bill is to establish a free school milk program in every public school. The program shall make available milk to all public school students during the morning hours at no cost.

Giving children some nourishment during the morning hours is as important as providing them with a well-balanced lunch. In addi-

tion, the importance of creating good milk-drinking habits among children and improving their nutritional well being is recognized. A free school milk program would make milk available to all of our public school students on an equally free basis.

Your Committee on Education is in accord with the intent and purpose of **H. B. No. 1841-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 447-72 Education on **H. B. No. 1842-72**

The purpose of this bill is to establish a free school lunch program in every public school. The program shall make available free school lunches to all public school students.

Just as we seek to provide equal educational opportunity for all students, there should be no discrimination against any student in terms of fulfilling nutritional needs. It is recognized that there exists a need for improved nutrition among children and families at every income level. In addition, the free school lunch program for children receiving public assistance which seeks to avoid identifying needy children has been difficult to administer. Consequently, many children receiving welfare do not take advantage of the free school lunches available to them. With a free school lunch program for all children, welfare recipients would no longer be singled out and every public school student would be assured the availability of a nutritionally balanced lunch.

Your Committee on Education is in accord with the intent and purpose of **H. B. No. 1842-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 448-72 Education on **H. B. No. 2188-72**

The purpose of this bill is to provide free school bus transportation for all public school students. In that way, public school students would be provided with a safe and inexpensive means of transportation and

some of the traffic congestion on our streets due to parents transporting their children to and from school would be eliminated.

Your Committee on Education is in accord with the intent and purpose of **H. B. No. 2188-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 449-72 (Majority) Joint Select Committee of Kauai Representatives, Maui Representatives, Oahu Representatives and Hawaii Representatives on **H. B. No. 2376-72**

The purpose of this bill is to allow the head of any family to produce for family use and not for sale an amount of wine not exceeding 200 gallons per annum.

Existing federal law allows such production of wine whereas existing state law prohibits such production of wine. This bill would bring state law in conformity with federal law.

Your Joint Select Committee has amended the bill in two respects. First, the language of the amendment has been changed to conform more precisely to the language of the federal law. Second, all references to beer have been deleted. The references to beer have been deleted because federal law absolutely prohibits the production of beer at any place other than a qualified brewery. Accordingly, the reference to beer has also been deleted from the title.

Your Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives is in accord with the intent and purpose of **H. B. No. 2376-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 2376-72, H. D. 1** and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Unemori, Aduja, Kato, O'Connor, Sakima, Wasai, Takamine and Judd. Representative Yim did not concur.

SCRep. 450-72 (Majority) Joint Select Committees of Kauai Representatives, Maui Rep-

representatives, Oahu Representatives and Hawaii Representatives on **H. B. No. 2382-72**

The purpose of this bill is to provide for a change in the "kind" of liquor license within certain classes of licenses without the necessity of a public hearing.

Your Committee feels that the requirement of a public hearing for the purpose of changing a cabaret license to any kind of dispenser license does not serve a useful purpose. Such changes are permitted for the purpose of reducing the privileges of the license and this bill contains a similar permission which permits the cabaret licensee to change to dispenser license of any kind without a public hearing.

Your Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives is in accord with the intent and purpose of **H. B. No. 2382-72** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Unemori, Kato, O'Connor, Sakima, Wasai, Takamine, Aduja and Judd. Representative Yim did not concur.

SCRep. 451-72 Joint Select Committees of Kauai Representatives, Maui Representatives, Oahu Representatives and Hawaii Representatives on **H. B. No. 2383-72**

The purpose of this bill is to extend the existing prohibition of a transfer of liquor license within one year of its original issuance to also apply to any license that has once been transferred.

The existing Section 281-41 prohibits the transfer of liquor license within one year of its original issuance except for good cause shown to the satisfaction of the Commission. This bill will extend this prohibition so that the one year clause will apply to any license that has once been transferred unless good cause can be shown to the satisfaction of the Commission.

Your Committee has technically amended this bill.

Your Committee feels that this measure will discourage the peddling of liquor licenses which have resulted in the spiralling price of liquor businesses.

Your Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives is in accord with the intent and purpose of **H. B. No. 2383-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 2383-72, H. D. 1** and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Unemori, Kato, O'Connor, Sakima, Wasai, Takamine, Aduja and Judd.

SCRep. 452-72 Judiciary on **H. B. No. 2331-72**

The purpose of this bill is to provide for the mandatory revocation of a driver's license by a court upon final conviction of manslaughter or negligent homicide resulting from the operation of a motor vehicle and of driving while under the influence of intoxicating liquor or narcotic drugs. The purpose of this bill is also to provide for the mandatory suspension of the license of any driver for a period of 30 days upon final second conviction of speeding within a two-year period and for a period of 60 days upon a final third conviction of speeding within a two-year period.

Your Committee heard on this bill and other related bills from the State Department of Transportation, the Hawaii Medical Association, and representatives of the Honolulu Police Department. Your Committee amended **H. B. No. 2331-72** by deleting "or narcotic drugs" from line 17 of the first page of the bill because testimony from the State Department of Transportation, the Traffic Division of the Honolulu Police Department, and the Hawaii Medical Association reveal that "much of the available evidence suggests that the use of narcotics is not a major factor contributing to highway accidents and fatalities"; that there already is a statutory provision, H. R. S. Section 291-7, prohibiting the driving of a vehicle while under the influence of drugs; and that the imprecision of definition and proof of being "under the influence" of a narcotic drug weakens the law governing driving under the influence of alcohol.

Your Committee has also amended this bill by deleting the word "two-" from line 3 of page 2. The amended provision mandates the court to suspend the license of any driver

for a period of 30 days upon final second conviction of speeding within a year's period, rather than a two-year period.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2331-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 2331-72, H. D. 1**, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 453-72 Judiciary on **H. B. No. 2065-72**

The purpose of this bill is to amend the Hawaii Revised Statutes so as to eliminate inconsistencies with the rules of court; delete outmoded provisions; make improvements of a technical nature; and transfer procedural matters to rules of court where advisable. This bill is the product of work done by the Committee on Coordination of Rules and Statutes appointed pursuant to appropriations made for the Judicial Branch, Office of Administrative Director of Courts, by Act 154, L. 1969, Act 175, L. 1970, and Act 68, L. 1971 and your Joint Interim Committee appointed pursuant to **H. C. R. No. 24, H. D. 1, L. 1971**.

Comprehensive updating and unifying of statutes is long overdue in Hawaii. Obsolete civil procedure provisions dating from legislative acts of 1869 are now to be found in our statutes. When the Hawaii Rules of Civil Procedure were adopted, revision became a critical need. While many other states have permanent law revision commissions, the work undertaken by the Committee on Coordination and the Joint Interim Committee is the first comprehensive revision of statutory procedural provisions of Hawaii in this century.

This bill, along with other bills relating to the statutory revision program—namely, **House Bills 2040-72, 2041-72, 2042-72, 2043-72, 2044-72, 2045-72, 2046-72, 2047-72, 2048-72, 2049-72, 2050-72, 2051-72, 2052-72, 2053-72, 2054-72, 2055-72, 2056-72, 2057-72, 2058-72, 2059-72, 2060-72, 2061-72, 2062-72, 2063-72, 2064-72, and 2066-72**—is the culmination of work not lightly undertaken. The Committee on Coordination met regularly at least once a month for two years with Rhoda V. Lewis, former Supreme Court Justice, as the Reporter. The

Joint Interim Committee carefully considered **The Report of the Committee of Coordination of Rules and Statutes** in thirteen meetings and revised the recommendations set forth in **The Report** to read as this bill and other bills above cited, relating to the statutory revision program.

Your Committee on Judiciary incorporates by reference, insofar as it is applicable to this bill, **Special Committee Report No. 9, L. 1972**, prepared by the Joint Interim Committee to Receive and Report on the Statutory Revision Program of the Committee on Coordination of Rules and Statutes pursuant to **H. C. R. No. 24, H. D. 1**, Sixth Legislature, 1971. An in-depth understanding of the amendments proposed to the Hawaii Revised Statutes by this bill, along with other bills relating to the statutory revision program, is to be found in **Special Committee Report No. 9, L. 1972**, and the exhibits appended to **Special Committee Report No. 9** entitled **Volume I, Volume II, Volume III, and The Supplementary Report of The Report of the Committee on Coordination of Rules and Statutes**.

Your Committee finds the reporter's notes in **The Report of The Committee on Coordination** generally helpful, though they are not necessarily the views of your Committee. Your Committee further finds that the notes and explanations in **House Special Committee Report No. 9, L. 1972**, do reflect the views of your Committee, except for the following amendments.

Your Committee amended subsection (1) (b) of **H. B. 2065-72** by inserting the word "permitted" before "intervenor". Your Committee believes an intervenor at an investigation by or proceeding before the public utilities commission should not be a matter of right but should be a matter discretionary with the public utilities commission.

Upon recommittal, your Committee amended subsection (1) (c) of **H. B. No. 2065-72, H. D. 1** to specify that notice of proposed changes in rates and of the time and place of hearing must be mailed by the applicant or applicants to consumers or patrons not less than two weeks prior to that time as shall be provided by rule, regulation or order of the Commission, or if other notification is required when allowed by the Commission, then the fact of notification is to be reported to the Commission before the date of the hearing. It is the intent and expectation of

your Committee that the Commission shall analyze each application seeking a change in rates to determine what method of notification is more appropriate for the benefit of consumers or patrons. The Commission may either require notice by mailing or use of other means depending upon dates of hearings, contingencies, whether a series of hearings are anticipated, or other problems in utilizing mailing notification. The Commission by order, rule or regulation may allow a utility to use forms of proper notification to ensure that patrons and consumers have adequate notice of hearings.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2065-72, H. D. 1**, as amended herein, and recommends that it pass Third Reading in the form attached hereto as **H. B. No. 2065-72, H. D. 2**.

Signed by all members of the Committee.

SCRep. 454-72 Joint Select Committees of Kauai Representatives, Maui Representatives, Oahu Representatives and Hawaii Representatives on **H. B. No. 2360-72**

The purpose of this bill is to prohibit counties and private parties who provide mass transit to the public from engaging in school bus, charter or sightseeing operations in competition with school, charter or sightseeing bus operators who are not under contract with the counties to provide mass transit.

Under existing section 51-1, Hawaii Revised Statutes, counties and private parties under contract with the counties who provide mass transportation service are exempted from the jurisdiction of the public utilities commission. All other bus operators are subject to the regulations of the commission. Because of the disparity between the two systems, your Committee believes that mass transit operators who are not subject to the commission should not compete economically with private bus operators who are not similarly privileged.

Upon consideration of the matter, your Committee recommends a few exceptions to the prohibitions proposed in the bill. Your Committee believes that it would not be unfair competition if the counties and private parties under contract with the counties are permitted to engage in school bus, charter or sightseeing operations provided the activities are connected to school and other public pro-

grams such as school excursions, summer fun programs and sightseeing tours for the elderly.

Your Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives is in accord with the intent and purpose of **H. B. No. 2360-72**, as amended herein, and recommends that it pass Third Reading in the form attached hereto as **H. B. No. 2360-72, H. D. 1**.

Signed by all members of the Committee except Representative Hansen.

SCRep. 455-72 Lands on **H. B. No. 1866-72**

The purpose of this bill is to amend Section 171-35, Hawaii Revised Statutes, by adding a new subsection (6) providing that the existing lessee of public land who has placed improvements on such land within five years preceding the expiration of his lease, shall have the right to remove such improvements at his own expense, or through negotiation with the new lessee, be reimbursed for such improvements at the appraised value.

Your Committee on Lands is in accord with the intent and purpose of **H. B. No. 1866-72** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 456-72 Finance on **H. B. No. 1750-72**

The purpose of this bill is to amend the State retirement system law by eliminating the 30-day waiting period following the effective date of retirement prior to payment of death benefits, provided the applicant files a letter from a licensed physician indicating death may occur within one year.

Presently, under Sec. 88-83, Hawaii Revised Statutes, a member must file an application for retirement at least 30 days prior to the effective date of retirement. In order for his beneficiary to be eligible for the death benefit under the plan or mode of retirement selected by him, he must survive another 30 days from the effective date of retirement. In other words, a person, particularly with a terminal disease, would have to survive 60 days from the date of filing in order for the survivor's benefit under the plan or mode of retirement elected by him to be payable to his

designated beneficiary; otherwise, his death would be considered to be "in service" and his beneficiary would then receive the return of his contributions plus up to one year's salary. The difference in the amount of payment (particularly under Option 1) could be considerable as compared to the death-in-service benefit.

This bill, by amendment to Sec. 88-83, aforesaid, proposes to eliminate the so-called 30-day waiting period. The initial 30-day notice for retirement will still be required, but the subsequent 30-day waiting period following the effective date would be eliminated. The bill was heretofore amended to provide that the 30-day waiting period will be waived only if the system receives a letter from a licensed physician prior to the effective date of retirement indicating that because of the applicant's illness, death may result within one year of the effective date of retirement. The executive secretary of the system on behalf of the board of trustees has expressed that there is no objection to this amendment (of an administration bill).

We are advised that the actuary has determined that this measure does not require an additional appropriation.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 1750-72, 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. 457-72 Finance on H. B. No. 2515-72

The purpose of this bill is to amend the provisions of Act 197, Session Laws of Hawaii, 1971 (the General Improvements Act), designated Section 2, part I (City and County of Honolulu), subsection K (Aid to Counties), item 67 (subheaded "Tourism") for "Waikiki Improvements, Oahu —", by providing, essentially, that the appropriation therefor in the aggregate sum of \$13,000,000 (\$9,000,000 general obligation bond funds; \$4,000,000 county funds) shall be expended by the City and County of Honolulu "**or the State of Hawaii**", and that the costs of such improvements (or a percentage thereof) shall be assessed against the lands and improvements on the basis of assessed valuation for real property tax purposes, "**or assessed against land on a frontage basis, or area ba-**

sis, or any combination thereof" (Amendatory language underscored).

Last year, in **H. B. No. 4, H. D. 2**, your Committee recommended appropriation of \$6,979,000 as a "Lump-sum grant-in-aid to be expended by the City and County of Honolulu, provided that a portion will support projects in the Waikiki area." To the amendments proposed by the Senate and on the disagreeing vote of the House, the Committee on Conference reported **H. B. No. 4, H. D. 2, S. D. 1, C. D. 1** (which was enacted as Act 197), providing expressly for "general improvement of the Waikiki area", delineating the boundaries thereof, and requiring that the City and County "adopt special assessment ordinances whereby not less than 33-1/3% nor more than 66-2/3% of the entire cost of such improvements, other than for the development of General Improvement Planning, shall be assessed against lands and improvements **situated within said area** on the basis of assessed valuation for real property purposes." (Emphasis added).

Following enactment, inaction.

Thus, among other changes proposed by this bill is an amendment mandating that the City and county "shall initiate action for the creation of an improvement district for Waikiki" based, still, upon the preexisting formula, but deleting the provision that the assessment be against the lands and improvements "situated in the area", and providing, instead, that, **in the alternative**, as aforesaid, the cost shall be "assessed against land on a frontage basis, or area basis or any combination thereof."

The bill further amends the provisions under which the appropriation is made by providing that "the governor may expend the sum appropriated . . . for planning, design, and engineering or he may transmit such sum to the City and County to be expended for such purposes;" but "notwithstanding the foregoing, if the governor deems it necessary in the public interest, he may authorize the construction of the Waikiki improvements under any other applicable statute which authorizes the creation of State improvement districts."

The appropriations for each fiscal year are unaltered as to amount, although for 1971-72, there is additional authorization for ex-

penditure of the \$1,000,000 upon "Project Planning, Design, and Engineering for Proposed Waikiki Improvement District."

Your Committee amended the bill by correcting a typographical error at p. 3, line 10, from FY "72-72" to "72-73".

Hereupon, were testimonies received from the Waikiki Improvement Association, the administrative and legislative branches of the City and County of Honolulu, and the Hawaii Visitors Bureau, each expressing favor hereof.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 2515-72**, as amended herein, and recommends that it pass second reading in the form attached hereto as **H. B. No. 2515-72, H. D. 1**, and be placed on the calendar for third reading.

Signed by all members of the Committee except Representative Fong.

SCRep. 458-72 Finance on **H. B. No. 1758-72**

The purpose of this bill, which amends Sec. 334-6(a), Hawaii Revised Statutes, is to require the director of health to establish reasonable charges for outpatient mental health services rather than leaving this as an optional matter, and to provide that charges are to be standardized, while **collections** on such charges may vary depending on the financial circumstances of the patient.

This amendment is being proposed to eliminate the implication that charges are set on a sliding scale in relation to income and other personal resources, and is necessary if the State are to receive full reimbursement from Title XIX of the Federal Social Security Act and from private medical coverage plans. Such agencies pay on the basis of reasonable cost or charges, whichever is lower. The revision will require the director of health to establish reasonable charges for service but permit him to continue to make collections from clients based on their financial circumstances. In this way, the department will be able to receive higher rates of reimbursement from Title XIX and private carriers without affecting the amount it collects from other clients.

It is expected by the director that the provisions of Title XIX of the Social Security

Act will be extended to psychiatric care for eligible persons in Hawaii on July 1, 1972, and it is important that the State be in a position to receive maximum reimbursement.

This amendment does not involve additional costs to the State; in fact, it will meet a basic condition required for increasing the amount of reimbursement which the State receives for the services it provides. This reimbursement, it has been estimated, could amount to between one to two hundred thousand dollars per annum.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 1758-72** and recommends that it pass third reading.

Signed by all members of the Committee.

SCRep. 459-72 Finance on **H. B. No. 2110-72**

The purpose of this bill is to reappropriate funds for the establishment and maintenance of a law school at the university of Hawaii, previously appropriated for research and development thereof.

From the unencumbered and unexpended balance of \$67,000 for fiscal year 1971-72 and the sum of \$125,500 for fiscal year 1972-73, appropriated by Act 146, Session Laws of Hawaii, 1971, for completion of the research and development phase, funds are reappropriated for the fiscal biennium for non-capital investment and operating costs, authorizing, with the approval of the governor, the establishment of 4.3 positions.

Last year, by Act 68 (**H. B. No. 937**) the Legislature declared: "There shall be a school of law at the university of Hawaii . . ." This bill is intended to reaffirm that legislative commitment.

Of the sum of \$192,500 appropriated for the fiscal biennium 1971-73, the formal research and development phase having been concluded, and the sum of \$29,000 thereof having been expended or encumbered, the sum of \$163,500 remains. What is needed now are the "start-up" funds and positions to engage the services of a dean and an immediate staff to handle the recruitment of the initial law faculty, the development of the initial curriculum, the admission of the initial stu-

dents, the purchase of the initial library holdings, and the planning of the physical space required.

Although it has been anticipated that initial costs would approximate \$173,400, as follows, the university estimates that a conversion of the remaining research and development moneys to accomodate the

Dean's Office and Administration	
Dean	\$ 25,000
Associate Dean	15,000
Secretary	8,000
Administrative Assistant	7,600
Clerk-typist	6,000
Supplies and Equipment	
Printing and Publications	8,500
Equipment	1,100
Supplies	2,500
Telephone	10,000
Library	
Books	40,000
Staff (Consultant and Clerical)	10,000
Supplies and Equipment	13,250
Travel	
Dean	6,400
Prospective Faculty	6,000
TOTAL	\$173,400

Your Committee on Higher Education has comprehensively covered questions relating to academic plans, administration and faculty recruitment, location and physical facilities, student body and accreditation in **Stand. Com. Rep. No. 230-72**, the contents of which your Committee on Finance is in concurrence.

Your Committee has amended this bill as to essentially non-substantive matters of style and punctuation and by providing for the reappropriation of funds as herein stated.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 2110-72, H. D. 1**, as amended herein, and recommends that it pass third reading in the form attached hereto as **H.B. No. 2110-72, H. D. 2**.

Signed by all members of the Committee.

anticipated expenses in the manner proposed hereby will adequately meet the demands for both funds and positions to at least inaugurate law instruction during the academic year 1973-74.

Budgetary needs for 1972-73 that move the law school into its operating stages are as follows:

Position Count	
	(1)
	(.5)
	(1)
	(.8)
	(1)

SCRep. 460-72 Finance on H. B. No. 2161-72

The purpose of this bill is to reappropriate the sum of \$246,213 in Act 210, Session Laws of Hawaii, 1971, from the Center for Cross-Culture Training and Research to the University of Hawaii at Hilo for the acquisition of books and equipment to improve its educational resources.

For the immediate future, the Hilo campus must be ready to accept its share of the increasing numbers of students who will be pursuing upper division work. As the only other four-year institution in the University of Hawaii System, dependence must be placed on the Hilo campus to complement the Manoa campus (until the West Oahu College becomes operational).

According to the testimonies, however, and according to your Committee on Higher Education reporting hereupon in **Stand. Com. Rep. No. 164-72**: "The college complex is in critical need of support to purchase a

variety of instructional equipment and supplies which should have occurred at the time of the transition from a two to a four-year campus.”

In summary, the instructional supplies and equipment needed and the sums requested therefor are as follows:

1. Library books and equipment: 150,000

The University of Hawaii at Hilo has 55,000 volumes in its present collection which is more than adequate for a two-year college but grossly inadequate for the needs of a four-year campus. The funds will be used for purchasing books, periodicals, and essential library equipment.

2. Upper Division Science programs: 25,000

The requested amount will provide 15% of the eventual equipment needs for an adequate chemistry and physics program.

3. Social Science Field Studies: 9,800

Funds will be used for basic equipment for Geography/Environmental Studies and Anthropological/Archeology programs.

4. Social Science/Basic Instruction: 19,850

Funds will be used for a collection of basic instructional films, and other materials to increase the effectiveness of lower division teaching.

5. Fine Arts: 27,041

Basic equipment for Art, Drama, and Music including Woodworking, metal working, and additional lighting equipment, curtains, risers and shop equipment for the new theatre auditorium.

6. General Campus Needs: 14,522

Equipment such as files, storage cabinets, typewriters, and other equipment for increasing the efficiency of instructional programs and the upgrading of the computer facility for the student registration process.

The total amount of \$246,213 heretofore appropriated by Act 210, Session Laws of Hawaii, 1971, to the Center for Cross-Culture Training and Research for fiscal year 1971-72 remains unexpended, and unless reappropriated (as to purposes provided by this bill) will lapse on June 30, 1972.

with the intent and purpose of **H. B. No. 2161-72** and recommends that it pass third reading.

Signed by all members of the Committee.

SCRep. 461-72 Finance on **H. B. No. 2179-72**

The purpose of this bill is to extend medical and dental coverages under the public employees health fund to foster children of employee-beneficiaries.

Under the present law, an employee-beneficiary cannot cover a foster child under his State plan enrollment even though a regular parent-child relationship exists, including responsibility for support and maintenance. This situation places an extreme burden on the employee-beneficiary, particularly during the interim when a petition for adoption is filed and the final decree is granted.

The bill amends Sec. 87-1(4), Hawaii Revised Statutes, by re-defining the term “dependent-beneficiary” from (together with spouse) “legal children” to “any unmarried child, including an adopted child, a stepchild, foster child, or recognized natural child who lives with the employee-beneficiary.”

As infrequently as the situation which this bill accomodates occurs, the department of budget and finance, to which the public employees health fund is administratively assigned, has satisfied your Committee with the degree of urgency that exclusion represents to families not otherwise covered. We are informed that no funding is required to carry into effect this noble gesture.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 2179-72** and recommends that it pass third reading.

Signed by all members of the Committee.

SCRep. 462-72 Finance on **S. B. No. 1348-72**

The purpose of this bill is to amend Sec. 386-181, Hawaii Revised Statutes, to extend disability benefits under the workmen’s compensation law to volunteer deputy fish and game wardens for injuries sustained in and out of the course of the performance of official duties and to extend death benefits under said law to their dependents for death result-

ing from the performance of official duties by said volunteer wardens.

Section 386-181 presently provides disability benefits under the workmen's compensation law for public board members, reserve police officers, and volunteer firemen. Their dependents are also entitled to dependency benefits under the law in the event said volunteer personnel are killed in the performance of official duties. Volunteer deputy fish and game wardens, however, are only entitled to hospital and medical expenses if they are injured while performing their official duties.

This bill proposes to extend the full protection of the workmen's compensation law to volunteer deputy fish and game wardens performing services "in a voluntary and unpaid capacity under the authorized direction" of the fish and game division of the department of land and natural resources. Your Committee agrees that volunteer deputy fish and game wardens should be provided the same workmen's compensation benefits presently being provided reserve police officers, volunteer firemen, and public board members and that their dependents should likewise be entitled to workmen's compensation dependency benefits.

Although this bill would broaden the scope of benefits to include compensation for lost time from work, permanent disability characterized as either total or partial, including disfigurement, and death benefits to dependents (including funeral and burial allowances), it is not presently required that there be an appropriation to provide for the expanded coverage.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 1348-72** and recommends that it pass third reading.

Signed by all members of the Committee.

SCRep. 463-72 Lands on **H. B. No. 2222-72**

The purpose of this bill is to formulate a state program designed to conserve and protect endangered native Hawaiian birds and other endemic forms of animal life.

Your Committee on Lands is in accord with the intent and purpose of **H. B. No. 2222-72** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Yap and Young.

SCRep. 464-72 Finance on **S. B. No. 174**

The purpose of this bill is to allow members of the State Retirement System to purchase prior service credit by deduction from compensation at the rate of one and one-half times the normal contribution as an alternative to the only present options of deduction at twice the normal contribution or payment of a lump sum.

Presently, the law allows public officers and employees to purchase prior service credit in one of two ways, only: (1) By paying in a lump sum the contributions on account of the period for which membership service is allowable, or (2) By deduction from compensation of twice the normal contribution for a period equal to the period membership service credit is allowable. As amended, this bill, which amends section 88-59, Hawaii Revised Statutes, as amended, provides for a third alternative: (3) By deduction from compensation at the rate of one and one-half times the normal contribution until completion of the purchase.

Last year, companion **H. B. No. 140** was passed by the legislature but vetoed by the governor because of what the attorney general, in recommending that action, referred to as an "obvious defect". In his communication thereupon dated May 17, 1971, it was said:

"According to the committee reports, the intent apparently was to allow a member of the retirement system to purchase previous service credit in a more inexpensive manner. Hence, a lesser rate of one and one-half times the normal contribution was provided for. However, the Legislature overlooked changing the length of the period during which payments at the rate of one and one-half times the normal contribution are to be made. By failing to modify the period and simply decreasing the rate of contribution, the amendment in effect allows the purchase of previous service credit at a cheaper rate than presently prevailing, which is **twice** the normal contribution.

"Obviously, the Legislature did not intend such a result, since the purpose of the bill was to provide a third option in purchasing previous service credit and not to

substitute a new rate of contribution in lieu of the existing rate.

“Moreover, if the bill became law, an inequity would exist as between employees who are now purchasing previous service credit at the existing rate of **twice** the normal contribution and employees who purchase previous credit after the bill becomes law at the lesser rate of **one and one-half times** the normal contribution.”

By the further amendment of this bill, your Committee believes that this defect has been cured, as follows:

All of the second paragraph of the statute following the second sentence, referring to options of payment for prior service, as aforesaid, has been deleted. In its place, three separately numbered sub-paragraphs have been added, each setting forth one of the options, number (1) and (3) of which essentially restate the present law relating to payment by twice the normal contribution or by lump sum, respectively. The remaining sub-paragraph provides that a member shall pay for service, at his option:

“(2) By deductions from his compensation of **one and one-half times** the contribution rate provided for in section 88-45 **over a period equal to twice the period for which membership service credit is allowable.**” (Emphasis added).

Thereunder, a one-sentence paragraph was added, the substance of which is to the effect of part of the material deleted, that the deductions or lump sum payment shall be paid to the system and become part of the member’s accumulated contributions.

Finally, the existing third paragraph of the statute has been amended to reflect the changes hereby effected, to the effect that membership and other service credit shall be allowed for the period for which “the deductions from compensation or lump sum payment have been made” (vice “such double deductions or lump sum contributions . . .”).

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 174, S. D. 1**, as amended herein, and recommends that it pass third reading in the form attached hereto as **S. B. No. 174, S. D. 1, H. D. 1**.

Signed by all members of the Committee except Representative Chong.

SCRep. 465-72 Finance on H. B. No. 2357-72

The purpose of this bill is to “modernize” the Land Fire Protection Law by amending all sections of chapter 185, Hawaii Revised Statutes, to authorize present prevention and presuppression activities and agreements.

Throughout, the “state forester” has been added as the person principally responsible for administering the program through the department of land and natural resources. Some of the significant features of the bill, as amended, are contained in the following sections:

Sec. 185-1 clearly defines a responsibility for fire control on all lands within forest reserves, and provides for mutual aid agreements with the counties and for active assistance in fire control. These agreements are currently in effect with the counties and are part of the State’s cost sharing agreements with the federal government.

Sec. 185-2 revises terminology to clearly place the responsibility for fire control within the organization of the division of forestry, which is made throughout the chapter where the term “principal fire warden” is used. This section also adds a provision which enables members of county fire departments to be made fire wardens and still remain within the chain of command of the county fire departments, which is currently being done.

Sec. 185-3 gives the district forester authority to close forest areas to public access during periods of extreme fire hazard due to dry weather, which is needed to reduce man-caused risk of fires starting in high hazard areas. This section also gives clear authority to the district forester to direct the fire fighting efforts for the control of any fire threatening forest reserve or public shooting grounds, which is also in accordance with current agreements and practice.

Sec. 185-4 relieves a private land owner of liability for fire caused by the general public. This feature extends the provisions of prior law intended to encourage owners to make land and water areas available to the public. This section also provides for a fire suppres-

sion contingency fund as a budget item and provides for supplemental allocations during a severe fire season.

Sec. 185-7 places the burning of debris and flammable material under the permit system, and, further provides for burning in a suitable incinerator.

Following the report hereupon by your Committee on Lands in **Stand. Com. Rep. No. 198-72**, the department of land and natural resources recommended a substantial number of amendments necessitated both by rather inept drafting of the bill in the first instance and by substantive changes resulting from the former hearing. We have effected both, as to the former, which are too numerous to enumerate, in every single section (except Sec. 185-9), and as to the latter notably in Secs. 185-2, -3 and -7, relating to "fire wardens" (vice district wardens), authorization for issuance of permits, and fire danger periods, respectively.

The program changes and activities included in the bill are currently funded and require no further appropriations for the present. However, your Committee is informed that modernization of fire fighting capabilities will require future funding to meet the responsibilities defined in the bill.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 2357-72**, as amended herein, and recommends that it pass third reading in the form attached hereto as **H. B. No. 2357-72, H. D. 1**.

Signed by all members of the Committee except Representative Chong.

SCRep. 466-72 Lands on H. R. No. 270

The purpose of this resolution is to request the Speaker to appoint an interim committee to conduct a study of the final Overview Inc. report on open space. It is expected that the study will result in development of specific proposals for administrative and legislative action. Your Committee effected a change of a non-substantive nature to reconcile the resolved clause with the title of the resolution.

Your Committee on Lands concurs with the intent and purpose of **H. R. No. 270**, as amended herein, and recommends its adoption in the form attached hereto as **H. R. No. 270, H. D. 1**.

Signed by all members of the Committee.

SCRep. 467-72 (Majority) Housing and Consumer Protection on H. R. No. 293

The purpose of this resolution is to request an interim study relating to motor vehicle repair shops and dealers and shall include whether: (1) persons engaged in the business of motor vehicle painting and repair should be bonded and licensed; (2) the number of service stations should be regulated; (3) motor vehicle dealers should be required to maintain adequate supply of repair and replacement parts; and (4) any other matter that may protect and assist the motorist in minimizing the cost of maintaining a motor vehicle.

Your Committee on Housing and Consumer Protection concurs with the intent and purpose of **H. R. No. 293** and recommends its adoption.

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

SCRep. No. 468-72 Legislative Management

Informing the House **Standing Committee Report Nos. 463-72 to 467-72**, and **Standing Committee Report Nos. 469-72 to 487-72**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. No. 469-72 Education on H. B. No. 1674-72

The purpose of this bill is to encourage and guide the growth and development of non-commercial public broadcasting through the establishment of the Hawaii State Foundation for Public Broadcasting.

Your Committee finds that Hawaii's educational television system presently suffers from a lack of direction and philosophy. Confusion has occurred in the past over the lines of authority, responsibility, management and operational policies, and the use of public funds. A central and defined leadership authority, a larger and more representative public governing board, and overall operational policies are needed for the improvement of educational television in Hawaii. Your Committee, therefore, concurs with the recommendations of the House Higher Education Committee as stated in **Standing Committee Report No. 268-72**.

Your Committee on Education is in accord with the intent and purpose of **H. B. No. 1674-72, H. D. 1**, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 470-72 Education on **H. B. No. 2145-72**

The purpose of this bill is to provide an appropriation to supplement the salaries of athletic directors and coaches and to correct current inequities in compensation created by differing school athletic funds.

There are great differences in the amounts coaches and athletic directors are paid from league to league and from school to school within leagues. The reason why the pay varies so widely lies in the manner in which the interscholastic athletic program is funded and the resources available to each school.

The athletic directors and coaches are being paid today under a salary schedule which establishes a maximum and minimum on the amounts the various coaches of the different sports may be paid. Coaches' salaries are paid from each school's athletic fund made up of program receipts, contributions, and proceeds from fund-raising activities. The amount available to each school's athletic fund is dependent upon: the size of spectator audience; the manner in which gate receipts are distributed among the schools within the league; booster organization contributions and the extent to which fund-raising activities are carried out; and the number of interscholastic sports offered at each school. As a result, schools with smaller enrollments or schools in communities with limited population are at a distinct disadvantage.

In addition, each school's athletic fund is reimbursed to a limited degree from the State general fund specifically to assist in defraying the cost of coaches' salaries. Because the availability of these funds does not depend on program receipts, this amount in effect has been regarded as the minimum salary to be paid coaches.

Since funding lies at the heart of the present disparity and inequity in pay being received by coaches and athletic directors, additional funds should be provided to correct this inequity and a more rational basis for compensation established.

Your Committee on Education is in accord with the intent and purpose of **H. B. No. 2145-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 471-72 Public Utilities on **S. B. No. 476**

The purpose of this bill is to raise the rate of compensation of the five members of the public utilities commission from \$10 per day to \$50 per day, and to permit the commission to appoint its own attorney.

Your Committee on Public Utilities feels that the recommended \$50 per day rate of compensation is not unreasonable; it reflects the higher cost and standard of living we have attained since the establishment of the present \$10 per day rate of compensation. The increased amount is more in line with present needs and requirements. Indeed, various other commission (Criminal Injuries Compensation Commission - \$50 per day; legislative reapportionment commission - \$50 per day) have their compensation set at the same level.

The limitation that no member of the commission may receive more than \$1,000 as compensation in any one year has been removed. Retaining such a limitation would allow members of the commission to attend a maximum of 20 meetings a year, a completely unrealistic allowance.

Your Committee recognizes that the commissioners are asked to make decisions on complex problems dealing with rates, financing, rules and regulations for the regulated companies, and the needs of the general public. Therefore, it is important to permit the commission to appoint its own attorney on an "as needed" basis. This will provide the commission with the expertise necessary to make fair decisions, and at the same time expedite the decision-making process.

Your Committee also recognizes that situations may arise where the commission may be an adverse party in an administrative or judicial proceeding, as was the case in recent rate proceedings. In such situations, it is preferable that the commission retain its own attorney rather than having to rely on the staff of the Attorney General as is presently the practice. It is anticipated that this amend-

ment will encourage the commission to agree and stipulate that it is an adverse party in such proceedings.

Your Committee on Public Utilities is in accord with the intent and purpose of **S. B. No. 476, S. D. 2** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 472-72 Public Health, Youth and General Welfare on **H. B. No. 2163-72**

The purpose of this bill is to establish a three-year demonstration program on a statewide basis for an outdoor education and counseling program for young people in the State who need an alternative to the education and counseling provided by the traditional program offered by the department of education.

Because the traditional counseling and guidance processes in the traditional school and classroom setting are not meeting the needs of the youth of the State, your Committee feels that an alternative is needed. Much of the counseling services available to young people are not conducive to their free expression and discussion, and such services frequently create anxieties. Many people, particularly young drop-outs and potential drop-outs, find the structured classroom system of instructor-student relationship to be irrelevant and need a viable alternative system to acquire meaningful knowledge and skills.

Such a three-year demonstration project administered by the city and county of Honolulu Department of Parks and Recreation would:

1. Make campsites available for outdoor education and counseling program;
2. Establish the requirements for staff personnel to run the program and employ the necessary staff personnel;
3. Determine the criteria for eligibility for accepting young people into the program;
4. Cooperate with State departments and agencies whose responsibilities include work with young people;

5. Include demonstration program projects for inter-island activities;

6. Provide an evaluation committee (majority of whom shall be young people) comprised of former participants in the program; and

7. Report on a quarterly basis to the Governor and the Legislature.

The bill carries appropriations of \$100,000 from the State general revenue funds, provided that these funds are matched by the city and county of Honolulu and provided that the city and county of Honolulu shall use every possible means to secure funds, including but not limited to federal funds and private funds for this demonstration program.

Your Committee feels that education can be imparted to troubled youth in realistic settings and that the emerging generation seeks alternative, honest programs to prepare them for entry into the world of adult responsibility.

Your Committee on Public Health, Youth, and General Welfare is in accord with the intent and purpose of **H. B. No. 2163-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 473-72 Public Health, Youth and General Welfare on **H. B. No. 2187-72**

The purpose of this bill is to amend Act 127, Session Laws of Hawaii 1970 to define "drug" to include alcohol and intoxicating liquor. Act 127 had provided no guidance as to whether "drug" included alcohol and intoxicating liquor.

Your Committee on Public Health, Youth and General Welfare is in accord with the intent and purpose of **H. B. No. 2187-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 474-72 Public Health, Youth and General Welfare on **S. B. No. 46**

The purpose of this bill is to bring the Hawaii Food, Drug and Cosmetic Act into conformity with the federal law, especially in

regard to those provisions dealing with fair packaging and labeling.

This bill strengthens the Department of Health's authority and responsibility in the quantitative and qualitative aspects of packaging and labeling of consumer commodities such as foods, off-the-shelf drugs and cosmetics. Furthermore, this bill would improve the efficiency in the administration of our food and drug law through the use of uniform opinions and interpretations relative to the federal law.

Your Committee on Public Health, Youth, and General Welfare is in accord with the intent and purpose of **S. B. No. 46, S. D. 2** and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 475-72 Public Health, Youth and General Welfare on **H. B. No. 2120-72**

The purpose of this bill is to protect health and safety of non-smokers.

The Hawaii Revised Statutes is amended by adding a new chapter or section allowing operators and owners of private business to prohibit smoking on their premises or parts of their premises without being held liable.

Your Committee on Public Health, Youth and General Welfare is in accord with the intent and purpose of **H. B. No. 2120-72** and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. No. 476-72 Public Health, Youth and General Welfare on **H. B. No. 2427-72**

The purpose of this bill is to provide funds for the purchase of woodcraft, ceramics and seedcraft equipment for the Hawaii State Senior Center.

Your Committee feels that this bill accommodates the recreational needs of the senior citizens.

Your Committee on Public Health, Youth and General Welfare is in accord with the intent and purpose of **H. B. No. 2427-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 477-72 Public Health, Youth and General Welfare on **H. B. No. 1759-72**

The purpose of this bill is to eliminate the long delay which has been experienced when court approval has been sought for authorized absence of a patient from psychiatric facilities. This delay has prevented patients from having passes which were felt to be in the interest of their treatment and rehabilitation and also compatible with the safety of the community.

The proposed amendment of Section 334-75 would give the administrator of a psychiatric facility the right to grant authorized absence to patients admitted on court order for periods up to thirty days.

Your Committee on Public Health, Youth and General Welfare is in accord with the intent and purpose of **H. B. No. 1759-72** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 478-72 Finance on **H. B. No. 1922-72**

The purpose of this bill is to improve the procedural requirements of levy and seizure; to determine what property can be levied on; the duty to surrender property under a levy; the extent of personal liability and penalty for failure to surrender property subject to distraint or levy, and to produce books and records in aid of such levy.

This amendment to Sec. 231-25, Hawaii Revised Statutes, seeks to modify and to conform the provisions of our statutes as closely as possible with Sections 6331, 6332, 6333, and 6334 of the 1954 Internal Revenue Code, which are very comprehensive. The proposal also seeks to provide as does the Internal Revenue Code, a penalty provision upon the person served for failure to honor the said distraint and levy.

Your Committee notes that, in the collection of unpaid taxes, the present statutory provisions authorize the director of taxation the use of distraint "upon so much of the taxpayer's goods, chattels, moneys, or intangibles represented by negotiable evidences of indebtedness, as he may deem sufficient to satisfy the payment of taxes due, penalties

and interest, if any, and the costs and expenses of the distress.” Recently, however, the department has experienced problems in which the “third party,” holding property of the taxpayer and to whom the warrant of distraint is served, has refused or is reluctant to surrender the property of the delinquent taxpayer.

This bill: Permits the tax director to enforce payment of taxes by levy and distraint upon all property and rights to property of the taxpayer. Limits the levy to property possessed and obligations existing at the time thereof. Permits the tax director to proceed to levy upon any other property if the original levy does not satisfy the total state claim against the taxpayer. Requires any person in possession of property or rights to property subject to levy to surrender such property or rights to the tax director; any such person who refuses or fails to surrender shall be personally liable for the delinquent taxes, penalties and interests. Any such person honoring the levy is to be discharged from any obligation or liability to the delinquent taxpayer. Exempt from levy are wearing apparel and school books; fuel, provisions, furniture and personal effects, books and tools of a trade, business or profession; unemployment benefits; and undelivered mail. Other conforming changes are made in the measure.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 1922-72** 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 Fong.

SCRep. No. 479-72 Finance on **H. B. No. 2178-72**

The purpose of this bill is to increase the State’s monthly contribution to the public employees health fund for eligible children of all employee-beneficiaries enrolled for dental benefits, from the present \$1.56 to \$1.76.

Your Committee is informed and finds that in order to maintain current benefit levels under the dental plan, the requested increase in the State’s contribution is necessary to meet the insurance carrier’s proposed premium increase to meet rising costs. As introduced, the bill proposed an increase from the present \$1.56 to \$1.90, but, as was also found by your Committee on Public Em-

ployment, which amended the bill under **Stand. Com. Rep. No. 254-72** upon information from the health fund administrators, an increase to \$1.76 is adequate for foreseeable needs.

Under Sec. 87-4, which the bill amends, the State makes monthly contributions “for each child who has **not attained the age of nineteen . . .**” (Emphasis added). Your Committee has been unable to ascertain what effect, if any, the recent signing into law by the governor of **S. B. No. 1318, S. D. 1**, lowering the age of majority to 18 years will have upon this measure. But, until the board of trustees of the health fund initiates action to provide for an adjustment of the age for eligibility, we are satisfied that there are a substantially large enough number of circumstances in which an 18-year old, although in the eyes of the law considered an “adult”, may, in reality, be a “dependent child”.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 2178-72, H. D. 1**, and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee except Representative Fong.

SCRep. No. 480-72 Finance on **H. B. No. 1656-72**

The purpose of this bill is to provide for the apportionment of tax among all persons interested in the gross estate of a decedent unless his will provides otherwise; that apportionment shall be made in the proportion that the value of the interest of each person interested in the estate bears to the total value of the interests of all persons interested in the estate; and that values used in determining the tax shall be used for that purpose.

This bill is an adaption of the Uniform Estate Tax Apportionment Act recommended by the National Conference of Commissioners on Uniform State Laws and by it approved for enactment in all states at its Annual Conference in 1964; thereafter approved by the American Bar Association the same year. According to the prefatory note thereupon:

“The Act will permit an executor or administrator of one jurisdiction to recover

the proportionate part of the estate tax from a transferee residing in another state. The Act apportions the federal estate tax where neither the federal estate tax law nor the will of the taxpayer provides for a different apportionment. The Act also permits that which a will cannot, that a proportion of the estate tax should be charged to the nontestamentary assets and authorizes the executor to proceed to recover the necessary amounts from the owners of the nontestamentary property.”

It appears that this proposal covers matters not now covered by Hawaii Statute. According to the department of taxation:

“This bill proposes, unless the will otherwise provides, to apportion the Hawaii estate tax among the beneficiaries (persons interested in the estate) rather than impose the tax against the net estate. Thus, the beneficiaries will pay, in addition to inheritance taxes, if any, a proportionate share of the estate tax according to his share of the estate.

“Under this bill, the circuit court having jurisdiction over the administration of the estate of the decedent shall determine the apportionment of the tax but the department of taxation shall continue to assess and collect the estate tax.”

There were no objections to this bill presented upon the hearing hereof, and its enactment produces a purely procedural result upon estate tax collections, simplifying, perhaps, but otherwise not affecting the volume of revenues attributable to estate taxes in the State revenues.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 1656-72** and recommends that it pass third reading.

Signed by all members of the Committee except Representative Fong.

SCRep. No. 481-72 Finance on **H. B. No. 1658-72**

The purpose of this bill is to establish a new chapter in the Hawaii Revised Statutes for the promotion of an orderly transfer of the executive power upon expiration of the term of office of a governor and the inauguration of his successor.

According to your Committee on Public Employment, properly charged with and heretofore having considered this measure in **Stand. Com. Rep. No. 256-72**, it provides, in its substantive entirety, for:

“ . . . a very real need in the continuity of government where there is a successor administration. Presently, there are no formal requirements for this process and no funds authorized to assist a governor-elect in picking up the reigns of government as his predecessor leaves.

“This bill fills that gap. It directs the controller to provide a governor-elect with office space, equipment, machines, etc. to be located within the State capitol complex. The outgoing governor is also directed to assist the governor-elect in communicating with State employees in preparation of his taking office. Finally, the bill appropriates \$50,000 for the next possible transition period and directs the governor to include an appropriation request in any year in which his regular term of office will expire.”

In accordance with the provisions of this bill, an appropriation in the sum of \$50,000 for the purpose hereof is required to be included in the governor’s budget “for each fiscal year in which his regular term of office will expire. . . .”

Upon proposal of the present administration, which supports the purpose hereof, your Committee has amended the bill as follows and for the following reasons:

1. Deleted the phrase “may be authorized” from line 21 of page 3. This makes this subsection parallel to other subsections in this part.

2. Added “not to exceed that authorized for other State employees,” after the comma in line 1 of page 4. This addition eliminates the question as to what the maximum per diem allowance would be.

3. Deleted the word “all” from line 1 of page 6. Deleted the period after the word “governor-elect” in line 2 of page 6, and added the phrase “upon his request.” following the word “governor-elect” thereafter. These changes obviate the necessity to give the governor-elect the entire State file.

4. Deleted the phrase “under such regulations as he may establish” from lines 8 and 9

of page 7. Establishing formal regulations for the distribution process as described in the subsection would otherwise be too cumbersome. For example, the wording as it now stands may require adherence with the provisions of the Administrative Procedures Act.

5. Added the phrase "a reasonable number of" following the word "make" in line 11 of page 7.

6. Added a period following the word "public" in line 12 of page 7, and deleted the phrase "at a reasonable charge for each copy." from lines 12 and 13 of page 7. If there is to be a charge for the documents described, there may be a loss of the benefits of informal reciprocal exchange agreements now existing with other governmental jurisdictions. Also, the amount realized may not totally offset the cost of establishing and maintaining a system to collect these charges.

7. Deleted the first sentence of the section entitled, "**Appropriation of funds**" of page 7, because it essentially expresses the same intent as the second sentence, requiring transmittal from the governor for each fiscal year in which his term of office will expire a proposed appropriation in the sum of \$50,000.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 1658-72** as amended herein, and recommends that it pass third reading in the form attached hereto as **H. B. No. 1658-72, H. D. 1.**

Signed by all members of the Committee except Representative Fong.

SCRep. No. 482-72 Finance on **H. B. No. 1721-72**

The purpose of this bill is to amend Sec. 606-5, Hawaii Revised Statutes, authorizing the courts to provide free copies of decrees of divorce or adoption to any veteran when such copies are required for use in connection with any claim based on service in the armed forces of the United States, to include such veteran's spouse, and not only "his wife".

Your Committee on Judiciary, considering this bill under **Stand. Com. Rep. No. 368-72** noted that "there are female veterans of the armed forces as well as male veterans and

that provision of such decrees should be on the basis of relationship to the veteran rather than on the basis of sex distinctions."

According to the administrative director of courts, no record has been maintained as to the number of free copies of decrees of divorce or adoption heretofore issued to veterans, their spouse, any member of the immediate family of a veteran, or the next of kin of a deceased veteran. However, it is estimated to be approximately 25 free copies per year.

Your Committee has amended the bill by deleting the entire phrase "his wife" (rather than merely "wife"), substituting therefore "the veteran's" preceding the word "spouse" which it modifies. This change, we believe, eliminates even more dramatically the distinction between sex which the bill seeks to achieve.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 1721-72**, as amended herein, and recommends that it pass third reading in the form attached hereto as **H. B. No. 1721-72, H. D. 1.**

Signed by all members of the Committee except Representative Fong.

SCRep. No. 483-72 Finance on **H. B. No. 2119-72**

The purpose of this bill is to provide to older citizens who suffer from poor nutrition and social isolation, low cost nutritionally sound meals delivered to their homes or served at strategically located centers, appropriating therefor the sum of \$55,555 out of general revenues for fiscal year 1972-73 to match approximately \$500,000 of federal funds.

At the time of reporting upon this measure by your Committee on Public Institutions in **Stand. Com. Rep. No. 307-72**, the U. S. Congress had passed and sent to the President **S. B. No. 1163** which appropriated some \$100,000,000 under the Older Americans Act (Title VII), the nutrition program of which allocates about \$500,000 to Hawaii on a matching requirement of 90%/10% federal/state or non-federal resources, in cash or in kind. This program is to be administered here by the State commission on aging.

In receiving the figures proposed for the project's projection into the fiscal year hereafter ensuing by way of amendatory legislation presently pending before Congress, your Committee has uncovered a number of potentially concealed costs, and until certain commitments are consummated concerning the related programs of state and area planning, social services under special impact and community projects, we are required to limit the appropriation to the express purpose and only for the fiscal year immediately following (as specified in the bill) and that any unspent portion shall lapse at the close thereof.

Your Committee notes that the State commission concluded recently an areawide model project for the aging concentrated in certain limited "problem areas" essentially in the metropolitan area of Honolulu, the experience from which it intends to apply to the project which is herefor appropriated. Your Committee anticipates that the commission will remember this program is statewide in scope.

The bill has been amended essentially as to statutory style, and the sum of the appropriation from general revenues has been increased by \$5,555 to \$55,555 which we are informed is the current minimum (vice \$50,000) for State qualification.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 2119-72**, as amended herein, and recommends that it pass third reading in the form attached hereto as **H. B. No. 2119-72, H. D. 1**.

Signed by all members of the Committee except Representative Fong.

SCRep. No. 484-72 Finance on **H. B. No. 2336-72**

The purpose of this bill is to amend the law relating to veterans cemeteries by allowing veterans who formerly resided in the counties of Hawaii, Kauai or Maui to be interred in such a cemetery in the county of their former residence, provided the cost of transporting the remains is borne by the survivors or estate.

Under Sec. 363-5, Hawaii Revised Statutes, which is amended hereby, the respective county councils are charged with interment only of the remains of members of the armed forces or honorably discharged veterans who

are residents thereof at the time of their death. If death occurs in the City and County of Honolulu, while a veteran is therein resided, for example, his final resting place is the National Cemetery at Punchbowl, notwithstanding he may originally be from, and the members of his immediate family, dead or alive, may be still be on one of the neighbor islands.

The bill does not mandate the form by which the decedent's inclination shall be expressed, and neither does it require that he express it; only that, by whatever means it is made, the expenses of removing the remains to the county of former residence for interment into the veterans cemetery therein shall be paid by the family or estate.

Your Committee caused correction to an incidental error in spelling, throughout.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 2336-72**, as amended herein, and recommends that it pass third reading in the form attached hereto as **H. B. No. 2336-72, H. D. 1**.

Signed by all members of the Committee except Representative Fong.

SCRep. No. 485-72 Finance on **H. B. No. 2358-72**

The purpose of this bill is to establish a revolving fund for the University of Hawaii, into and from which income and expenditures from and to self-supporting operations may be paid and expended by authorization from the board of regents without legislative appropriation.

The bill amends Sec. 304-8, Hawaii Revised Statutes. The fund is to be known as the "university board of regents revolving fund." It may be used to account only for such operations as generate their own incomes and are "supportive of the educational, research or public service programs of the university."

Your Committee on Higher Education has, in **Stand. Com. Rep. No. 278-72**, adequately explored the content of the consultant's report to the department of budget and finance recommending establishment of the fund, and we shall not reiterate the substance thereof hereat. Suffice it to say that the same seems suited to the purpose stated if the accepted characterization of a revolving fund is

one to be established where receipts significantly influence spending levels and which, therefore, should not require legislative appropriation.

Such funds should be used for the auxiliary enterprise operations traditional to universities, including bookstores, housing, food services, student unions and student health services (primarily special medication and laboratory services). They may also be used merely as a method of distributing costs of certain service facilities used, sometimes in common, by a number of teaching and research programs already approved by the legislature. Examples are innumerable.

However, your Committee is concerned with at least two conceivable consequences of this bill if enacted, not possibly heretofore contemplated:

1. "Self-supporting operations": If an income generating operation is to be considered "self-supporting", it is our considered opinion that in the criteria constituting its classification, as such, should be literally interpreted an inclusion of **all** costs, operating and administrative, direct and indirect, including facilities costs, repairs and maintenance. Your Committee has not amended the bill expressly so as to require; but if these factors, we find, are not properly being introduced into that determination, your Committee hereby legislatively decrees our preemptive right to revoke the authorization hereby bestowed upon the regents for their failure to fairly disclose the material facts inherent in the authority to which they are hereby impliedly delegated.

2. Expenditure of appropriated funds: The existing language of Sec. 304-8, aforesaid, is similar to provisions whereby appropriated funds are released to the State's political subdivisions and appropriated subsidies are released to nonpublic organizations. However, to the extent that this existing language extends to the regents the same or similar latitude pursuant to the fund hereby created, we cannot completely concur because your Committee does not believe that they (the regents) ought possess the degree of freedom to withdraw appropriated funds **by vouchers** and reapPLY, without constraint, such moneys as it (the board), in its discretion, sees fit.

Therefore, your Committee has, considering the powers entrusted to the board of re-

gents in the exercise of its discretion hereby, expressly provided that moneys appropriated by the legislature shall only be paid as to "expenditures incurred in accordance with laws and regulations governing the expenditure of public funds generally." The same is by way of addition to Sec. 304-8, preceding the amendment by the bill proposed, following the opening sentence prescribing the method by which appropriated moneys shall be payable.

Your Committee further amended the bill by placing the statutory material relating to establishment of the fund and its conditions and limitations (i. e., the amendatory language originally proposed) into a separate new section to be appropriately designated. Therefrom, the concluding phrase "without appropriation by the legislature" (whatever that means), following the provision that revenues may be credited and expenditures made by authority of the board of regents, has been deleted.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 2358-72**, as amended herein, and recommends that it pass third reading in the form attached hereto as **H. B. No. 2358-72, H. D. 1**.

Signed by all members of the Committee except Representative Fong.

SCRep. No. 486-72 Finance on H. B. No. 2439-72

The purpose of this bill, as introduced, is to appropriate additional monies out of general revenues to the State higher education loan fund (SHELF), and, as amended herein, to amend the eligibility provisions by limiting loans to students who are graduated from high schools within the State.

Your Committee is informed that since establishment of the SHELF program in 1969 (by Act 230) approximately 1,600 loans have been awarded to over 1,200 students to assist them in meeting the costs of pursuing a higher education. However, present projections indicate that only \$25,000 will be available in September, 1972, for loans under this program. In two separate appropriations a total of \$950,000 has been authorized by the Legislature which has provided for the first two years of the program.

The fund has been of great assistance to a large number of students who could not qualify otherwise for any kind of assistance. They include students and their parents from lower middle to middle income brackets (\$7,500 to \$16,000) whose personal and family assets are above the adjusted family means level set for the federal loans.

Your Committee further finds that if the Legislature is to meet its previous intent of establishing a revolving loan fund capitalized at a value of five to six million dollars, additional funding is necessary. The current standards for issuing loans are leased on the basis that this was the intent. It takes about fourteen years to stabilize such a loan program, i. e., when repayment equals new loans. Recognizing the importance of this meritorious program, your Committee hereby has recommended an additional appropriation of \$300,000 thereto.

We have not done so, however, without first amending Sec. 304-92, Hawaii Revised Statutes, relating to eligibility for loans. The statute presently predicates entitlement upon residency — of one year. Having considered this provision on the way to its enactment, heretofore, your Committee would have thought the standard adequate to withhold students from our sister states, which have available their own state funded scholarship and student loan funds, from preempting our deserving local high school graduates from utilization of concededly declining funds for purposes of loans hereunder. As we have, however, ascertained, this is not altogether so.

Therefore, your Committee has used the bill to amend Sec. 304-92 by deleting the one-year residency requirement (acquirable by out-of-staters after their freshman year) and substituted in place thereof the standard that loans from the fund shall be limited to students who have been “graduated from or completed their secondary education at a public or private school within the State of Hawaii.”

Also, because the governor has recently signed into law **S. B. No. 1318, S. D. 1**, as Act 2, Session Laws of Hawaii, 1972, lowering the age of majority to 18 years, your Committee has accordingly amended Sec. 304-94, relating to “capacity of minors”, by providing that students under that age (rather than under the age of 20), otherwise qualifying for a loan, shall not be disqualified

by reason thereof and shall be deemed to have full legal capacity to contract therefor.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 2439-72**, as amended herein, and recommends that it pass third reading in the form attached hereto as **H. B. No. 2439-72, H. D. 1**.

Signed by all members of the Committee.

SCRep. No. 487-72 Finance on S. C. R. No. 10

The purpose of this concurrent resolution is to encourage Kentron Hawaii, Limited (through an expression of legislative interest) to continue its efforts, in cooperation with the State department of transportation, to operate a proposed maritime (marine) commuter service between Pearl Harbor and downtown Honolulu on a six months demonstration basis.

Because of heavy vehicular traffic between Pearl City and Honolulu during commute hours, while seaways of the Leeward coast are relatively free of traffic, the State department of transportation in March, 1970, applied to the U. S. Secretary of Transportation for a demonstration marine commuter program, and Kentron Hawaii, Limited, has proposed the use of a displacement craft for six months for such a program.

Your Committee is informed that the proposed service will have as its terminals Iroquois Point, Pearl Harbor Naval Shipyard, Pier 8 in Honolulu Harbor, and Kewalo Basin. Landing and moorage fees will be paid by Kentron to the U. S. government for the use of its facilities at Iroquois Point and Pearl Harbor Naval Shipyard and to the State for the use of its facilities at Pier 8 and Kewalo Basin. The craft to be used will be a 500 passenger capacity which will be used during the peak hours of traffic Mondays through Fridays.

On December 22, 1971, Pacific Sea Transportation, Inc., a wholly owned subsidiary of Kentron Hawaii, requested a certificate of public convenience and necessity from the State public utilities commission to engage in the transportation of passengers by surface water vessels between the proposed termini. On February 23, 1972, a hearing was held before the commission which included public participation (which, your Committee is in-

formed, was very favorable). The day following (which is two days after this measure was reported upon by the Senate Committees on Transportation and Public Utilities in **Stand. Com. Rep. No. 62-72**), the commission approved the application, and service was inaugurated on April 3, 1972.

As stated by the aforementioned Senate Committees in their **Stand. Com. Rep. No. 62-72**:

“Dr. Fujio Matsuda, Director of the State Department of Transportation, and representatives from Ewa Beach Jaycees and Ewa Beach Community Association and a private citizen from Ewa Beach all testified in favor of the Senate Concurrent Resolution. They felt that the proposed maritime commuter service may provide an alternative to highways and a means of alleviating the traffic congestion in the Leeward area.

“Concern was expressed that the route of the proposed maritime service and the type of vessel used may have an adverse effect on the water sports in the area. Dr. Matsuda stated that the impact on the recreational activities had been carefully studied and that the vessel will be confined to the channels cleared and authorized for ships and that outside of the channels the vessel will operate beyond the reef and clear of the surfing and swimming areas. Kentron stated that the vessel to be used will not be a hydrofoil.”

Your Committee has amended this measure for the following reasons, as follows:

1. We are informed by the department of transportation that the commuter service proposed is a “marine” service (as stated throughout the text thereof) and not a “maritime” service (as stated in the title). Accordingly (and to conform the title to the text) the title was amended by substituting the word “marine” for “maritime”.

2. Since, as hereinabove stated, the public utilities commission has, following adoption hereof by the Senate, approved the application for a certificate of public convenience and necessity, the fifth paragraph of the resolution, stating that the matter is under commission consideration, has been amended to reflect the advent of favorable commission action.

In the event that the trial period proves successful, Kentron hopes to be permitted to operate the marine commuter service on a permanent basis, fully realizing that it will then be required to undertake certain improvements at the terminals to accommodate needs of passengers. The trial period urged by the resolution requires no expenditure of State moneys, only the making available of existing State facilities.

Your Committee on Finance concurs with the intent and purpose of **S. C. R. No. 10**, as amended herein, and recommends its adoption in the form attached hereto as **S. C. R. No. 10, H. D. 1**.

Signed by all members of the Committee.

SCRep. 488-72 Legislative Management

Informing the House that **House Resolution Nos. 360 to 362**, **House Concurrent Resolution Nos. 51 and 52**, and **Standing Committee Report Nos. 489-72 to 534-72** have been printed and distributed.

SCRep. 489-72 Judiciary on H. R. No. 138

The purpose of this Resolution is to direct the Legislative Reference Bureau to undertake during the interim period between the Regular Sessions of 1972 and 1973 a study of existing practices and laws relating to the use of checks and to request the Bureau to recommend improved methods so that losses incurred because of bad checks are minimized.

Since the use of checks in commercial transactions has become more and more widespread and more an integral part of our society, it is increasingly important to preserve the integrity and trust concomitant with such transactions. The growing instances of bad check passing are eroding the integrity of the practice of check usage. Innovative changes in current banking practices and negotiable instrument laws, responsive to the needs of the community, are urgently needed.

Your Committee on Judiciary concurs with the intent and purpose of **H. R. No. 138** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 490-72 Select Committee of Hawaii Representatives on **H. R. No. 142**

The purpose of this Resolution is to request the Superintendent of the Hawaii Volcanoes National Park, National Park Service of the United States Department of the Interior, to include the selective hunting of wild pigs in the Park's program of plant and animal conservation.

The Hawaii Volcanoes National Park's conservation policy includes the control of over-abundant or harmful populations of wildlife indigenous to the Park. In the past deputization of private citizens as park rangers was instituted in a program to control the over-abundance of goats. Allowance of citizen participation in this type of control work is necessary when the native park ecosystems are threatened by destructive animals.

Your Committee is in agreement that the Superintendent of the Hawaii Volcanoes National Park be requested to allow the selective control of wild pigs in the Park's conservation policy.

Your Committee has amended the word "HUNTING" in the title of the Resolution, "REQUESTING THE HAWAII VOLCANOES NATIONAL PARK TO ALLOW THE SELECTIVE HUNTING OF WILD PIGS", to "CONTROL". This change has been made because the term "HUNTING" implies that the Park is managing to produce a regular sustained yield type of game management to provide a recreational sport. Within this connotation "HUNTING" is prohibited in National Parks both by Congressional Acts and by international treaties.

Your Committee has amended the WHEREAS clause, "WHEREAS, the Superintendent of the Hawaii Volcanoes National Park has in the past instituted a program to control the over-abundance of goats by the deputization of civilian hunters;" to read as follows: "WHEREAS, the Superintendent of the Hawaii Volcanoes National Park has in the past instituted a program to control the over-abundance of goats by the deputization of private citizens as park rangers;".

Your Committee has further amended the Resolution by adding the following two WHEREAS clauses: "WHEREAS, citizen participation in this control work can be al-

lowed when necessary to protect native park ecosystems from destructive animals;" and "WHEREAS, such conclusions are the results of careful scientific analyses and studies of biological need;".

Your Select Committee of Hawaii Representatives concurs with the intent and purpose of **H. R. No. 142** as amended herein, and recommends its referral to the Committee on Lands in the form attached hereto as **H. R. No. 142, H. D. 1.**

Signed by all members of the Committee.

SCRep. 491-72 Lands on **H. R. No. 343**

The purpose of this resolution is to request the Department of Planning and Economic Development to work with a Legislative Interim Committee in reviewing the Hawaii Overview Open Space Plan and also in receiving the input of the general public and appropriate State and County agencies. Further, it requests the Department to develop an action program and legislation necessary to implement the plan and to submit the proposals to the House at least 20 days prior to the convening of the 1973 Session.

Your Committee on Lands concurs with the intent and purpose of **H. R. No. 343** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 492-72 Lands on **H. C. R. No. 45**

The purpose of this concurrent resolution is to request the Department of Planning and Economic Development to work with a Legislative Interim Committee in reviewing the Hawaii Overview Open Space Plan and also in receiving the input of the general public and appropriate State and County agencies. Further, it requests the Department to develop an action program and legislation necessary to implement the plan and to submit the proposals to the House at least 20 days prior to the convening of the 1973 Session.

Your Committee on Lands concurs with the intent and purpose of **H. C. R. No. 45** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 493-72 Housing and Consumer Protection on **H. R. No. 47**

The purpose of this Resolution is to request Operation F.R.E.S.H. to submit its findings to the House Committee on Military and Civil Defense. Your Committee agrees with the purpose, reasons and conclusion reached in **Standing Committee Report No. 426-72**.

Your Committee on Housing and Consumer Protection concurs with the intent and purpose of **H. R. No. 47**, and recommends that it be referred to the Committee on Lands.

Signed by all members of the Committee except Representative Fong.

SCRep. 494-72 Agriculture on **H. R. No. 356**

The purpose of this Resolution is to request the Department of Planning and Economic Development, in cooperation with other State and county departments, to implement the findings and recommendations of its study entitled: "A Report on Utilization of Hawaii's Fresh Fruits and Vegetables, December, 1971", the objective being to increase sales of locally grown and processed agricultural products to the institutional markets.

Your Committee on Agriculture concurs with the intent and purpose of **H. R. No. 356** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 495-72 Agriculture on **H. R. No. 351**

The purpose of this Resolution is to request the Department of Agriculture to conduct a thorough investigation and analysis into the nature of local food price increases, spelling out the price differences between stores, analyzing the effect of middlemen's profit margin, and taking into account transportation and other relevant costs.

Your Committee on Agriculture concurs with the intent and purpose of **H. R. No. 351** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 496-72 Agriculture on **H. R. No. 316**

The purpose of this resolution is to request the Department of Agriculture and the county Boards of Water Supply to study water rates and submit any plans for proposed changes in water rates for agricultural users.

Your Committee on Agriculture concurs with the intent and purpose of **H. R. No. 316** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 497-72 Agriculture on **H. R. No. 276**

The purpose of this Resolution, as amended herein, is to request the College of Tropical Agriculture of the University of Hawaii to investigate, with the assistance of the Department of Agriculture, the various alternatives available to meet the rising agricultural needs of all the rural areas of the State, including the formation of problem solving task force groups, disbursement of human and budgetary resources, decentralization of program and project development responsibilities.

Your Committee has amended this Resolution.

1. To provide that the College of Tropical Agriculture is to work with the assistance of the Department of Agriculture to carry out the purpose of the Resolution.

2. To broaden the scope of this Resolution by providing that the purpose of this Resolution is to serve all the rural areas of the State and not just the neighbor islands.

Your Committee on Agriculture concurs with the intent and purpose of **H. R. No. 276**, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as **H. R. No. 276, H. D. 1**.

Signed by all members of the Committee except Representative Unemori.

SCRep. 498-72 Public Health, Youth and General Welfare on **H. B. No. 2154-72**

The purpose of this bill is to remove restrictions on the uses and structures relating to the keeping and raising of aviary birds in any residential area within the State. This would also enable the preservation and protection of different species of birds, especially those near extinction.

Your Committee recommends the following amendment:

Section 3. "The raising of aviary birds shall be carried out in a sanitary manner. The structure housing them shall be maintained in a clean and orderly condition, kept in good repair, and be in compliance with the public health regulations of the Department of Health."

Your Committee on Public Health, Youth and General Welfare is in accord with the intent and purpose of **H. B. No. 2154-72**, as amended herein, and recommends that it be referred to the Committee on Lands in the form attached hereto as **H. B. No. 2154-72, H. D. 1.**

Signed by all members of the Committee.

SCRep. 499-72 Public Health, Youth and General Welfare on **H. B. No. 2233-72**

The purpose of this bill is to provide for the public health of the people of the State of Hawaii in order that the public health of the people may be improved.

Your Committee finds that there is a definite need for a permanently established agency to coordinate programs in the area of substance abuse. Thus far, adequate planning in this vital area of substance abuse prevention has been plagued by a lack of centralized coordination, direction and authority. Within the private sector, over forty agencies claim to have drug abuse programs and the same type of scattered responsibility holds for the public agencies involved in this area. The result is that limited programs having limited effects do not contribute to the solving of the substance abuse problems in the State, but rather result in a piece-meal attempt to find solutions to a comprehensive problem.

Your Committee further finds that while there presently exists a Governor's Committee on Substance Abuse established by executive order of the Governor, the ephemeral nature of such an agency may cause difficulty

in establishing a long-range program in the area of substance abuse. By establishing an office of substance abuse prevention by statute, there would be some guarantee that such an agency would have the full import and power as other state agencies. In addition, in the application for many of the federal funds available in the area of substance abuse, there are often stipulations that the agency applying must be a permanent agency of the State.

Your Committee further finds that presently programs within the Department of Education and the Department of Health are restricted because of the jurisdictional problems which may arise between executive departments. To have an overall agency to coordinate these programs, the State may be better able to see the total picture and to remedy the duplication of services or the lack of services due to unclear jurisdiction.

Your Committee further finds that the creation of the office of substance abuse could possibly bring about more innovative and flexible programs in the area of substance abuse as such an agency is not hindered by departmental rules and regulations.

Your Committee recommends that amendments be made to this bill to coincide with the findings of your Committee. Such amendments would be as follows:

(a) The Hawaii Revised Statutes would be amended by adding a new chapter creating the Office of Substance Abuse Prevention to be headed by a single executive who shall be known as the director of substance abuse prevention. The office of substance abuse prevention is placed within the office of the governor for administrative purposes.

The director of substance abuse prevention shall be in charge of all statewide programs in substance abuse prevention in the areas of research, education, prevention, treatment, and the coordination of such programs between the public and private sectors. In addition, the director shall receive all public monies from the State for dissemination to the various state and private programs as well as act as the applicant for available federal funds in the area of substance abuse.

(b) The physical properties used, acquired, or held by the Governor's Committee on Substance Abuse are transferred to the newly created office of substance abuse prevention.

(c) There is appropriated out of the general fund \$500,000, or so much thereof as may be necessary for the purposes of this Act, to be expended by the Governor.

(d) The Governor's Committee on Substance Abuse shall continue to function under the Executive Order establishing it until the director of substance abuse prevention is appointed.

Your Committee on Public Health, Youth and General Welfare is in accord with the intent and purpose of **H. B. No. 2233-72**, as amended herein, and recommends that it pass Second Reading and be referred to the Committee on Finance in the form attached hereto as **H. B. No. 2233-72, H. D. 1**.

Signed by all members of the Committee.

SCRep. 500-72 Judiciary on **H. B. No. 2180-72**

The purpose of this bill is to establish means whereby anti-pollution measures can be financed through the issuance of revenue bonds by a department of the State government.

This bill would provide a governmental vehicle in Hawaii by which Federal tax advantages can be gained by those industries in Hawaii involved in anti-pollution projects, thereby assisting such industries in carrying out pollution control measures and also giving governmental bodies located in Hawaii the option to use the same financing vehicle in carrying out pollution control. The genesis of the anti-pollution revenue bond comes from the industrial development bond which is a bond issued by a governmental body, the proceeds of which are used to build a facility to be used by a private party. The bond is secured by and paid from the payments made by such party (or user) for the use of the facility.

In 1968, Congress amended the Internal Revenue Code to provide that, if the amount of the industrial bond issue exceeded \$5,000,000, the interest payable on the bonds would not be exempt from Federal income taxes. Congress also provided, however, that, if the function of the facility was pollution control, the dollar limitations would not apply, and that interest on bonds issued for such purpose would remain exempt from Federal income taxes, regardless of the amount of the issue. Congress thus made it possible for in-

dustrial, and later by Congressional amendment, government bodies to borrow money for pollution control facilities at a lower rate of interest, thereby assisting in compliance with anti-pollution statutes and court orders.

Your Committee heard from the representatives of State government bodies, public utilities, private sugar and pineapple industries, an implementor of similar bills and their resultant projects in other states, and others, and finds the following:

(1) In the case of public utilities, this bill will help to reduce the burden on the ratepayer by reducing the financing costs for these facilities.

(2) For private industries which are large enough to take advantage of this bill, the lower financing costs of such facilities through lower interest, tax exempt bonds will a) assist them in compliance with anti-pollution statutes; b) aid the competitive position of local industries vis-a-vis the same type of industry in other states which already issue industrial development bonds for pollution control; and c) be timely assistance to our now financially threatened agricultural industries.

(3) Cost to the State. The bill permits revenue bonds to be issued only for pollution control facilities. The payment of such revenue bonds is limited solely to the moneys paid by industry for the use of the facilities or the purchase of the facilities by it. Neither the State's general fund nor any general revenues of the State will be obligated to pay the revenue bonds. The bill requires that the State be compensated out of the revenue bond proceeds for any expenses it incurs in issuing the revenue bonds and that the user of the facilities pay all expenses the State incurs in carrying out the pollution control project. Consequently, the State will not be using its own moneys either to pay the revenue bonds or for the costs and expenses of issuing or administering the bonds.

(4) Effect on State's debt limits. The bill contains provisions so that the revenue bonds will not be counted against the State's debt limit. The revenue bonds will be excluded by reason of exclusion (b) of Section 3 of Article VI of the State Constitution.

After long consideration, your Committee amended this bill with the assistance of the bond counsel for the State of Hawaii, Leo

Sabatine of the New York law firm Wood, Dawson, Love and Sabatine. Your Committee amended this bill to provide that the issuance of the bonds and other related powers wherever the term "department" appears is the responsibility of the Department of Budget and Finance rather than the Department of Planning and Economic Development because your Committee believes the State Department of Budget and Finance by its financial nature has greater facilities to implement this bill.

Your Committee has also amended this bill by revising the proposed Section 39-126 relating to powers of the department in order to clarify that the powers of the department are limited to such powers as a conduit of the purposes of this bill and nothing more. Finally, your Committee amended this bill to make conforming amendments to the above changes and to provide numerous clarifying and style revisions.

A brief outline of the substance of this bill, as amended, follows:

SECTION 1 of the bill is a finding by the legislature that pollution control by industry should be encouraged by the State through the issuance of anti-pollution revenue bonds employing the industrial revenue bond concept, and that such control and the issuance of the revenue bonds is a public purpose.

Section 2 of the bill contains the main substantive portions of the bill and is broken down into several parts. Section 39-125 contains definitions making certain that the bonds are revenue bonds and limiting the purpose of the issuance of the bonds to pollution control facilities.

Section 39-126 of the bill empowers the Department of Budget and Finance to agree with a prospective user of the pollution control facilities to issue revenue bonds for a pollution control facility and authorizes the issuance of such bonds.

Section 39-127 of the bill makes clear that the use of the revenue bonds does not eliminate or change any obligation of the user of the facility with respect to compliance with zoning, health codes and laws of similar nature.

Section 39-128 of the bill makes clear that

the real property tax position of the user of the facility is not changed by the use of the revenue bond financing.

Section 39-129 of the bill requires the Department to find that the user of the facility is a financially responsible party capable of making the payments necessary to pay the bonds.

Section 39-130 of the bill requires that the user of the facility must be obligated to make payments for the facility in amounts sufficient to pay the revenue bonds and all expenses of the Department in connection therewith. This section also requires that, if the facility involves water supply or sewage disposal for residences, the county must be given an option to acquire the facilities simply by paying off the revenue bonds.

Section 39-131 of the bill provides that the revenue bonds shall be issued under the State's general revenue bond law, subject to certain changes necessary to market this type of revenue bond. Additionally, this section also provides that the Department may not condemn property for any pollution control facility; it may not operate any pollution control facility; and it may not issue revenue bonds for any pollution control facility unless it has entered into an agreement with the user requiring the user to make payments to the Department sufficient to pay the revenue bonds.

Since the revenue bonds are to be issued under the general revenue bond law, each bond will be required to state on its face that such bond and the interest thereon are payable solely from and secured by the revenues pledged to its payment, and that such revenue bond is not a general obligation of the State and the full faith and credit of the State are not pledged to the payment of the bond.

Section 3 of the bill is a severability provision.

Section 4 of the bill makes the bill effective upon approval by the governor.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2180-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 2180-72, H. D. 1**, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 501-72 Judiciary on **H. B. No. 2338-72**

The purpose of this bill is to provide for attorneys for those judicial districts in the State that are determined to be in need of subsidized resident attorneys.

The proposal is similar to the program of subsidizing physicians in areas where medical care is lacking as provided in Act 299, Session Laws of 1967, as amended by Act 141, Session Laws of 1969. The physician's program has been very successful, and your Committee is firmly convinced that a similar program for attorneys will fill the legal needs in judicial districts which cannot support a resident attorney without public assistance.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2338-72** and recommends that it pass Second Reading and that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 502-72 Joint Select Committee of Kauai Representatives, Maui Representatives, Oahu Representatives and Hawaii Representatives on **H. B. No. 2117-72**

The purpose of this bill is to amend existing law which requires registration certificates of all motor vehicles be in plain view.

H. B. No. 2117-72 deletes this requirement and substitutes therefore a new requirement that the registration be kept in the vehicle and be presented at the request of a police officer. Further, the bill exempts state and county vehicles from the requirement if the vehicles are marked properly on the sides and have state or county license plates.

According to testimony presented at the hearing, the present requirement is no longer essential to police operations. In fact, the easy viewing of the owner's name and address can be useful information for persons who want to commit crimes. Finally, there is no real need for government vehicles to comply with the requirements of the bill.

Your Committee recommends a technical amendment to the bill. Instead of amending

section 286-47, Hawaii Revised Statutes, the bill has been revised to amend only subsection 286-47(3).

Your Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives is in accord with the intent and purpose of **H. B. No. 2117-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 2117-72, H. D. 1**, and that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives O'Connor, Sakima and Judd.

SCRep. 503-72 Judiciary on **H. B. No. 1190**

The purpose of this bill is to correct certain minor omissions in the omnibus election laws enacted under Act 26, S.L.H. 1970, and to update and clarify existing election laws.

Your Committee heard on this bill and other related bills from the office of the Lieutenant-Governor, the Lieutenant-Governor of the State of Hawaii, and others. Because of the similar nature of this bill with changes proposed in **H. B. No. 1191** and elsewhere, your Committee has incorporated the provisions consistent with the stated purpose of this bill. A brief outline of the provisions of this bill, as amended by your Committee, follows:

Sec. 11-12 This is a housekeeping measure to conform to federal standards, lowering the voting age to eighteen.

Sec. 11-19 This is a housekeeping measure to conform to registration practices. Where as registered voter wishes to register in another county within the state, he is categorized as a new voter, not as one who is re-registering to transfer his residency.

Sec. 11-21 This amendment will give the county clerks the option on designating a registration clerk at any polling place in any election.

Sec. 11-72 This is a housekeeping measure to do away with a meaningless practice. The governor does not do anything with the list of polling place workers, as election officials do not need senate confirmation. Further, because of the difficulty of getting workers for certain precincts and because of the need to replace workers who have dropped out, the

list is constantly changing up till the day of election.

Sec. 11-117 This measure would provide for the withdrawal of a candidate for health reasons. Your Committee amended this section to clarify the wording.

Section 3 of this bill proposes to amend HRS Sec. 12.2. This measure would provide for an extra week between the primary and general elections to facilitate preparation and other procedural aspects of administering an election. Because this extra week is a substantive matter affecting many candidates and contrary to the purpose of this bill, your Committee has deleted the proposed revision.

Sec. 13-2 This is a housekeeping measure to insert back some words which were erroneously left out when the final election omnibus bill was typed.

Sec. 14-3 This is a housekeeping measure to conform to the federal minimum standards.

Sec. 15-2 This is a housekeeping measure to conform to the federal minimum standards.

Your Committee deleted the proposed revision of Hawaii Revised Statutes Section 15-5 and Section 15-9 because the revisions proposed were made to conform with the proposed changes in Section 12-2 which was to provide for an extra week between the primary and general elections. As your Committee has not incorporated the changes proposed to Section 12-2, your Committee has accordingly not revised Sections 15-5 and 15-9.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. 1190**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1190, H. D. 1**, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 504-72 Judiciary on **H. B. No. 1779-72**

The purpose of this bill is to provide for a more expeditious disposition of derelict vessels abandoned in State waters or on public or private property.

This is not the first time the problem of abandoned vessels has been considered by this Legislature. In 1970 after some study of the problem, the Legislature in Act 48, Session Laws of Hawaii 1970 simplified and speeded up the disposition process. Experience has shown, however, that greater authority is necessary in order to accomplish the State's need in this regard. Derelict vessels are not only dangerous to navigation, but are unsightly and occupy space urgently needed for other vessels use for recreation and commercial purposes.

The present law provides that thirty days must lapse before a vessel can be taken into custody even if the last registered owner disclaims ownership and moves out of the State. After taking custody, the owner has twenty days from the date a notice is mailed to redeem the vessel. If he does not redeem it, a notice of auction must be published and the vessel cannot be sold less than five days after publication of the notice. In actual working, approximately seventy days elapse from the time that a vessel appears to be abandoned until it is actually removed. Vessels that sink in the harbor and others which require immediate action should be disposed of in a more expeditious manner. Under the provisions of this bill, the majority of abandoned vessels could be removed within ten days.

The bill also streamlines the procedures for the disposition of vessels abandoned on premises of repairmen.

Your Committee amended this bill to provide that notice of the intended disposition of a derelict vessel must be mailed by specified procedures to the registered owner and to all lien holders on file indexed in the name of the registered owner in the Bureau of Conveyances or who are shown on the records of the Department of Transportation or U. S. Coast Guard.

The original bill required only five days after publication to provide proper notification. Your Committee also added provisions providing for the time period of proper notification by mailing of twenty days after the mailing. By notifying the lien holder and providing sufficient time, the lien holder can be of material assistance to the Department of Transportation in locating the registered owner as well as obtaining the cooperation of the owner.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 1779-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1779-72, H. D. 1**, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 505-72 Judiciary on **H. B. No. 1828-72**

The purpose of this bill is to make it possible to get married any place in the state regardless of where the marriage license was issued.

Present law states that "the marriage ceremony shall be performed only in the judicial circuit in which the license is issued." However, case notes contained in the Hawaii Revised Statutes do not make the limitations mandatory. Hence at the present time, marriages performed in a judicial circuit other than the one in which the license was issued are not challenged by the Department of Health.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 1828-72** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 506-72 Judiciary on **H. B. No. 1831-72**

The purpose of this bill is to give the natural father of an illegitimate child a voice in the future of the child when he is sought to be adopted.

The law presently does not require consent for adoption from a natural father of an illegitimate child who has not been legally legitimated prior to the placement of the child with adoptive parents or prior to the execution of a valid consent by the mother of the child. The bill gives the natural father of an illegitimate child the same rights as all parents if the natural father has either acknowledged the child as his or if paternity has been established in court.

Your Committee feels that all steps should be taken to eliminate the stigma of illegitimacy and the elimination of distinctions

based upon legitimacy should apply to the natural father as well as to the child born out of wedlock. Your Committee feels, however, that for the child's sake, extra precautions ought to be taken for the child's benefit under circumstances where a father's concern for it may be suspect. The bill gives a natural father of an illegitimate child the right to consent to adoption but more importantly it gives the father the right to refuse to consent. Under certain circumstances that is where a father has shown no interest and provided no support to his child, this could have an adverse effect on the child aggravating his disadvantage of not being born in wedlock. A father who has not shown such an interest should not be able to block a child's chances for adoption and to receive the love and care which his natural father will not give him.

Your Committee has amended the bill to condition the natural father's rights to having the paternity of the child established in a court proceeding and situations where the father has assumed to the best of his ability the financial and all natural obligations of a parent.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 1831-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1831-72, H. D. 1**, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 507-72 Judiciary on **H. B. No. 1980-72**

The purpose of this bill is two-fold. First, it increases from \$50 to \$150 the reasonable charges for work done and materials furnished below which a holder of a lien may sell an article of personal property he is holding, in lieu of obtaining judgment and execution upon that property. Second, it reduces from 6 months to 3 months the time for which the holder of the lien must hold the unclaimed personal property before he may sell it as provided for above.

Presently, the holder of a lien, in lieu of obtaining judgment and execution upon personal property held by him because of alterations and repairs effected upon that property, may sell that personal property to satisfy claims the lien holder may have because of work done or materials furnished only if the

reasonable charges for the work done and materials furnished exceed \$50 and only after the personal property has been held for at least six months.

Your Committee feels that these requirements do not reflect current commercial practices and standards. Many owners abandon items on which repairs exceeding \$50 have been made. This is caused by the owner's moving from the State or his realization that a new item of the same type may be purchased for little more than the repair cost. Increasing the amount of \$150 would produce a more equitable result as to firms and individuals making these repairs.

Furthermore, the 6-month requirement is unrealistic. The new 3-month waiting period is more than adequate under present standards.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 1980-72** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 508-72 Judiciary on **H. B. No. 2068-72**

The purpose of this bill is to repeal Section 437-28(b)(22)(E), Hawaii Revised Statutes, so that manufacturers of motor vehicles may provide special discount programs for fleet users of motor vehicles.

Section 437 is a section of the Hawaii Motor Vehicle Industry Licensing Act, which, although passed in 1969, has not been put into effect pending the outcome of a case in federal court. Generally, Section 437-28(b)(22)(E) would subject a manufacturer to penalties if he sold or distributed a new motor vehicle to anyone in Hawaii at a lower price than the price charged to a dealer in Hawaii for a similar motor vehicle. This effectively prevents the utilization of any of the various fleet arrangements that major manufacturers of motor vehicles have in recent years offered to certain purchasers. These fleet arrangements are particularly important to renters and lessees of cars and trucks.

The rental and leasing of cars and trucks is a major industry, catering to the needs of large numbers of users. In Hawaii it meets

the needs of tourist and business travelers for short term transportation, providing a vital link in Hawaii's total transportation system. For longer term usage, the industry makes it possible for businesses and individuals to avoid the necessity of purchasing, garaging and maintaining cars, trucks, and trailers, which, for many users, would involve an investment in often idle equipment.

The present language prevents the citizens of Hawaii and visitors to Hawaii from having the benefit of competition and lower prices for rental cars. It also denies the State of Hawaii and local municipalities the benefits of motor vehicle manufacturer fleet programs for state and local governments.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2068-72** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 509-72 Judiciary on **H. B. No. 2116-72**

The purpose of this bill is to provide for the forfeiture of contraband motor vehicles and parts.

The 1966 Legislature enacted Section 286-43 and 286-44, which relate to altering, defacing or removing manufacturer's identification numbers from a motor vehicle or component part and providing that the possession of same was illegal. We have had testimony that during the last six years, the Honolulu Police Department has treated these motor vehicles and parts as contraband and withheld their return to those persons charged under the defacing sections of the statutes. Some attorneys have questioned the authoritative basis for such action.

What this bill will do is provide a legal basis for retention and subsequent disposition of these illegal vehicles or parts in much the same manner as illegal firearms and other items are forfeited to the State when used in crimes or when the possession of same is illegal. In most instances, the techniques of investigation or laboratory tests will permit police departments to identify the lawful owner of such vehicles or parts, and the bill provides for the return to the owner in those instances.

The great advantage of the bill will be to prevent return of the fruits of a crime to a thief or anyone else who would stand to illegally profit from the theft.

Your Committee feels that this new authority should be placed in the same section of the Hawaii Revised Statutes which declares the possession of such vehicles and parts to be unlawful. We have therefore amended the bill so that a new section is not added. This also requires that we amend the title of the bill to delete the phrase which states that a new section is added. The now more restricted title reads:

AMENDING CHAPTER 286, HAWAII REVISED STATUTES, RELATING TO FORFEITURE OF VEHICLE OR PARTS THEREOF.

We have also provided for notice to lien holders and have made other technical changes.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2116-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 2116-72, H. D. 1**, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 510-72 Judiciary on **H. B. No. 2193-72**

The purpose of this bill is to expand the ability of Hawaii savings and loan associations to make real estate loans on property other than homes. This bill would increase the present 30 per cent of capital to 40 per cent of capital which associations can hold at any one time on real estate loans not categorized as one to four family home dwellings. This increase gives the savings and loan associations the ability to finance multi-family dwellings which are becoming more commonplace today.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2193-72** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 511-72 Judiciary on **H. B. No. 2195-72**

The purpose of this bill is to permit lenders licensed as industrial loan companies to charge loan fees or "points" where money is loaned in large amounts and secured by mortgages of land.

Presently, banks and savings and loans associations who loan money on lands charge in addition to interest and other expenses, loan fees or "points" which are charges reflecting the cost of borrowing money. Industrial loan companies who are now making the same sort of loans are prohibited from making such charges as they are governed by stricter laws which limit charges only to specific items. This bill by permitting industrial loan companies to charge loan fees and "points" puts them on a par with other financial institutions.

The bill is written so that added charges will not be made to personal family of household loans which are made by industrial loan companies. The loan fees or "points" can only be charged for land loans of \$25,000 or more.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2195-72** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 512-72 (Majority) Judiciary on **H. B. No. 2225-72**

The purpose of this bill is to prohibit an elected official from being eligible to run for nomination or election to any other public office if the term of such office would begin prior to the expiration of the term of the original office and he has not first resigned from that office.

Your Committee believes this provision will aid in securing a public servant's commitment to the population which originally elected him and assure that his efforts and time will not be diverted to an office other than that to which he originally pledged his dedication.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2225-72** and recommends that it pass Second

Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee. Representatives Wong and Roehrig did not concur.

SCRep. 513-72 Judiciary on **H. B. No. 2264-72**

The purpose of this bill is to make technical amendments to the Uniform Commercial Code where experience has borne out that much changes are either necessary or, in some instances, desirable. The amendments are set out below.

1. Section 1-201. This amendment would include the addition of persons who sell minerals or the like, including gas and oil at the well or minehead, as persons selling in the ordinary course of business. The purpose of this amendment is to include that type of transaction so as to afford the buyer the protection that one normally gets under the Code as a buyer from a person selling in the ordinary course of business.

2. Section 1-105. The last paragraph of Subsection 2 is deleted so that with regard to choice of law questions Section 9-102 and Section 9-103 no longer control, but rather the general principles of Section 1-105 with regard to choice of law will be applicable to Article 9. There appears to be no reason why this should not be the case, and it leads to a more desirable result as far as choice of law problems are concerned.

3. Section 2-107. This section makes a series of changes. First, it includes oil and gas within the definition of minerals to make it clear that that is intended. Second, it changes the approach to a severance in sale of timber to a classification of personal property as opposed to real property. In those states that heavily deal in the severance and sale of timber, it has been learned that this facilitates the transaction.

4. Section 5-116. This section deletes the use of the concept of the contract rights in Sub-section 2, and substitutes the word "account." This is a change in the whole approach with regard to accounts and contract rights, now treating them all as accounts. That is, one complete whole. Previously, it was conceptually possible to separate the contract rights from the account and treat the two as being different collaterals for the

purpose of creating security interests. This proved to be impractical and the distinction was not used by the businessman. Therefore, the distinction which only creates confusion has been eliminated.

5. Section 8-102. This is the same amendment as one finds in **House Bill 2284-72**. The purpose of the amendment is to broaden the definition of a clearing corporation to facilitate the creation and use of additional clearing house depositories for the transfer of stock by booked entry throughout the country. The necessity of this change is brought about by the so-called paper crisis where clearing corporations were backed up, and have been backed up, over the past few years.

6. Section 9-102. This section is amended so as to conform to the changes in Section 1-105 with regard to choice of law principles. Secondly, the elimination of the term contract rights conforms to the other changes spoken of herein, above with regard to those changes.

7. Section 9-103. This section regards the perfection of security interests in multiple state transactions. It has been completely rewritten to clarify the relationship of its provisions to each other, and to other Sections finding applicable law. Reference to the validity of a security interest has been deleted as not being the proper subject matter of Section 9-103, which is perfection of the security interest, not validity. The basic choice of law rules found in Section 1-105 will now apply to the article. There have been certain other changes regarding the perfection of the security interest in account so that the manner of perfection is similar to that for general intangibles, i.e. perfection at the debtors location which will normally be at the location of its chief executive office in the case of multi-state corporations.

8. Section 9-104 has been amended by deleting railway equipment trusts from caste exclusion. Also, subsection (e) clarifies that the Code does not apply to governmental debtors. The other changes reflect the elimination of the term "contract rights" as well as excepting from the exclusionary provisions, the proceeds related to insurance policies and deposit accounts.

9. Section 9-105 as amended adds certain definitions, including that of transmitting utility, deposit accounts, and pursuant to commitment, encumbrance and mortgage.

These are made to clarify problems that have been of some confusion over the years. The other definitions, such as that of documents, and the deletion of the words “other things in action” from the definition have been made, again because of general experience dictated such changes. Also, the “contract right” concept is eliminated.

10. Section 9-106 is also an amendment with regard to the change in the concept of “contract rights.”

11. Section 9-114. This clarifies the manner in which a true consignment is to be perfected to wit by requiring prior inventory secured parties to be given notice by the consignor. The thinking is that there really is not any difference in terms of the manner in which perfection should be made in the case of a true consignment as opposed to a creation of a security interest.

12. Section 9-203 as amended makes certain changes with regard to perfection of security interests by incorporating the concept of agreement, value and rights in the collateral as giving use to an attachment, i.e. the stage at which a security interest has been, in fact, created.

13. Section 9-204. The concept of attachment is eliminated from this section, having been incorporated into Section 9-203. Some subsections, including subsection 2 have been deleted as being confusing and of no practical use. Other subsections have been rewritten to clarify them.

14. Section 9-205. Again, this deletion relates to the elimination of the term “contract rights.”

15. Section 9-302. The elimination of the nonfiling provisions for purchase money security interests in farm equipment has been deleted as being inappropriate. Prior to this amendment loans on farmers equipment were often unavailable because of potential lack of protection afforded the creditor due to the nonfiling problem.

A new section exempts security interests in trusts and estates from the filing rules of the Code. Certain other technical changes regarding filing are also found in this section.

16. Section 9-304. This section clarifies that money should not be treated like other collateral for purposes of perfecting security

interests by filing. A new subsection has been added to clarify the relationship between the unperfected security interests during the twenty-one day grace period, and the resultant effect upon inventory priorities, providing that notice must be given pursuant to 9-312 (3) to achieve an inventory over the inventory financier.

17. Section 9-305. This corresponds to the change in Section 9-304 with regard to money.

18. Section 9-306. This section was rewritten in part for purposes of clarity. Also, it clears up the relationship between insurance proceeds and the general definition of proceeds.

19. Section 9-307 eliminates references to non-filing in the case of farm equipment, and also, clarifies that a buyer other than a buyer in the ordinary course takes free of security interests to the extent that they secure future advances.

20. Section 9-308 is rewritten primarily for clarity, and also, to make the priority rules set out in Section 9-308 applicable to negotiable instruments.

21. Section 9-312. This is generally a clarification of this article, including a provision setting out how notice must be given in the case of an inventory priority problem. One of the main questions that was cleared up by this amendment to Section 9-312 relates to priorities between the inventory financier and the accounts receivable financier with regard to those accounts. The accounts receivable financier will take priority.

22. Section 9-313 is basically a clarification of the section on priorities among those claimants of interests in fixtures. Many of the provisions relate to previous problems concerning construction mortgages, clarifying who takes priority as to such mortgages.

23. Section 9-402 is merely a clarification of the formal requisites of the financing statement in earlier amendments, for example, those relating to oil and gas. Also, there is some clarification as to copies of agreements and other general filing with matters.

24. Section 9-404 sets up what amounts to purely formal changes in connection with the filing mechanics of the other sections of the Code.

25. Section 9-405. The same is true of this section with regard to the mechanics relating to filing.

26. Section 9-406 clarifies some problems relating to release of collateral, and the formal requisites.

27. Section 9-501 is purely a technical change to clear up an ambiguity as to whether the debtor could, after default, agree on the time within which a sale might be held or after which the secure party can keep the goods.

28. Section 9-504. This section reduces the burden of notice on the secured party in the case of non-consumer goods, with regard to the people he has to notify prior to sale. Apparently, experience has borne out that the earlier notification was not only burdensome, but did not present any particular advantage.

29. Section 9-505. This section corresponds to the change in Section 9-504 with regard to people who must receive notice.

30. Section 11-101 is a standard transitional provision relating to how these new provisions will affect security interests as well as other Code transactions as of the time of the effective date.

31. It is additionally recommended that the "contract rights" be deleted from Section 9-502.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2264-72** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 514-72 Judiciary on **H. B. No. 2284-72**

The purpose of this bill is to authorize bank, broker/dealers, registered investment companies and other governmentally regulated or supervised financial institutions to own clearing corporations. Present law limits the ownership of clearing corporations to national securities exchanges and associations registered under a statute of the United States such as the Securities Exchange Act of 1934. Broadened ownership of clearing cor-

porations as proposed under this bill, should contribute to a reduction in security delivery problems.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2284-72** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 515-72 Judiciary on **H. B. No. 2377-72**

The purpose of this bill is to amend H. R. S. Section 641-12 to enlarge the right of the State to appeal in criminal proceedings, particularly with respect to pre-trial orders.

The Hawaii law of search and seizure and of confessions is uncertain and lacks uniformity of construction by the trial courts. The issue of admissibility of such evidence is of vital significance to prosecution, defense, and the fair administration of justice. Your Committee concurs with the intent of this bill that a pre-trial order granting a motion for the suppression of evidence should be subject to a conclusive appellate ruling.

Your Committee amended such provision to provide in that case the Supreme Court shall give priority to such an appeal and the order shall be stayed pending the outcome of the appeal. Your Committee also amended this bill to be in consonance with the statutory revision program of the Committee on Coordination of Rules and Statutes as found in their Report submitted to this legislature. The words "or motion to dismiss" have been added to conform to H. R. C. P., Rule 12(a). The language referring to pleas abolished by Rule 12 has not been deleted for two reasons, i.e., Rule 12 applies only in circuit courts, and this language moreover has significance in identifying the types of orders that are appealable.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2377-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 2377-72, H. D. 1** and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 516-72 Judiciary on **H. B. No. 2511-72**

The purpose of this bill is to increase the dollar amount of the loan, restriction to bank officers, directors and employees from \$2,500 to \$5,000. Existing law provides that all loans made to bank officers, directors and employees in excess of \$2,500 must be approved by the Board of Directors of the banks. The increase of the dollar amount of the loan restriction would make it less cumbersome for such loans to be processed and would be more in keeping with the value of the dollar today.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2511-72** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 517-72 Judiciary on **H. B. No. 2516-72**

The purpose of this bill is to increase the maximum number of members on the state commission on the status of women from twenty-one members to twenty-two members.

There are presently fifteen appointed members and seven designated ex-officio members, a total of twenty-two, on the commission. This bill would authorize the extra member to remain on the commission. This would be more desirable than requesting one member to resign, since all twenty-two members have been officially sworn in to the commission.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2516-72** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 518-72 Judiciary on **H. B. No. 1764-72**

The purpose of this bill is to amend the Temporary Disability Insurance Law by adding a new section which would:

(1) Require all employers and insurance carriers to submit copies of benefit denial no-

tices to the department of labor and industrial relations; and

(2) Permit the department to review benefit denials within ten days of receipt and to request employers and insurance carriers involved to reconsider denials if it considers them to be erroneous, without proper legal basis, or without sufficient supporting evidence.

Your Committee concurs with the findings and conclusions of your Committee on Labor as expressed in **Standing Committee Report No. 36-72**.

Your Committee on Judiciary is in accord with the purpose and intent of **H. B. No. 1764-72** and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 519-72 (Majority) Judiciary on **H. B. No. 1934-72**

The purpose of this bill is to make cosmetology education more available to interested and aspiring students by amending Section 439-10, Hawaii Revised Statutes and deleting reference to four year high school education or its equivalent.

The Section is amended to read: "meets appropriate qualifications established by the board; provided the board shall not impose any educational requirements as a condition of registration."

Your Committee agrees with the Committee on Public Health, Youth and General Welfare that in a field such as cosmetology the talent and knowledge required can differ significantly from the conventional education received from high school.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 1934-72, H. D. 1**, and recommends that it pass Third Reading.

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

SCRep. 520-72 Judiciary on **H. B. No. 1955-72**

The purpose of this bill is to resolve the conflicts between the rules promulgated by the Department of Agriculture and existing

provisions of the law. The bill will substantially improve the enforcement of the existing statute. It also provides the changes necessary to enable the promulgation of rules and regulations which would be flexible and effective for the intended purpose of the law.

Section 1 of the bill clarifies the following definitions:

(a) "Producer" to include agricultural cops which are not composed exclusively of producers; (b) "Dealer" to apply only to a person who has executed a purchase contract; (c) "Broker" as a person who does not obtain title to farm produce; (d) "Retail Merchant" to include a person selling processed farm products.

Section 2 deletes specific license requirements, filing procedures and annual license fees and authorizes the Department to prescribe these requirements by rules and regulations.

Section 3 deletes specific accounting and reporting requirements for consignment sales and authorizes the Department to prescribe these requirements by rules and regulations.

Section 4 authorizes the Department to prescribe a permissible payment period in lieu of the current 30-day provision for produce purchases.

Section 5 disallows claims for dumping unless prior written approval by producer was obtained.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 1955-72** and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 521-72 (Majority) Judiciary on H. B. No. 2010-72

The purpose of this bill is to require all physically fit persons as a condition to receiving general assistance to register for work on public work projects and to accept such employment as may be offered to them.

The bill also requires recipients to report each week to receive general assistance payments or for work assignment. Upon consideration of the matter your Committee has deleted this additional requirement which

would be reasonable if there are in fact jobs available for all those reporting for assignment. At the present time, according to testimony, the requirement will unduly burden the administrative staff and would be imposing an impractical requirement on the recipients.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2010-72**, as amended herein, and recommends its passage on Third Reading in the form attached hereto as **H. B. No. 2010-72, H. D. 1.**

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

SCRep. 522-72 Finance on H. B. No. 1043

The purpose of this bill is to establish a commission to be known as the Hawaii bicentennial international marine exposition commission, which shall have charge of all arrangements for the holding of an international marine exposition in the State to coincide with the bicentennial commemoration of the discovery of Hawaii by Captain James Cook, appropriating from general revenues the sum of \$200,000 to study implementation, formulate plans and coordinate the promotion thereof.

The bill provides that the commission shall be placed within the office of the governor and shall not continue to exist beyond December 31, 1979. The bill further provides that the commission shall consist of eleven members, appointed by the governor in accordance with the provisions of Sec. 26-34, Hawaii Revised Statutes. Four of the members shall be selected from each of the counties, three of the members shall be selected at large; and the director of transportation, the director of planning and economic development, the chairman of the board of land and natural resources, and the marine affairs coordinator shall be ex-officio members of the commission. The bill defines the powers and duties of the commission and authorizes the hiring of employees in order that the commission may be able to function and achieve its objective.

The bill further provides for an appropriation of \$200,000 out of general revenues to defray costs of the commission in carrying out its duties, which include:

(1) Make a detailed study to implement the holding of a proposed international marine exposition in between 1977 and 1978, and in either event encompassing January 1978.

(2) Choose an exposition site or sites prior to the end of calendar year 1972.

(3) Formulate and submit to the governor plans for an independent non-profit corporation which will assist the commission in the planning and development of the exposition.

(4) Coordinate and direct the planning and promotion of the exposition.

(5) Insure compliance with regulations of the federal international exposition and the Bureau of International Exposition.

(6) Direct and coordinate events during the exposition.

Of the \$200,000 appropriation, the bill stipulates that the sum of \$40,000 shall be expended by the office of the marine affairs coordinator, with the approval of the governor, for the purpose of setting up the commission and to cover other necessary expenses until the commission's staff has been organized.

Your Committee received considerable testimony hereupon from the marine affairs coordinator, upon which he was extensively examined, principally prompted by his statement that: "As marine affairs coordinator, I can assure this Committee that the \$200,000 State investment will indeed be matched at least two or three times this amount during the first year that preparations for the exposition are underway." This is an administration sponsored bill.

The prospects of this proposed project, as described by the marine affairs coordinator, boggle the imagination; but, for the details of which, we must defer to your Committee on Lands having heretofore considered this measure under **Stand. Com. Rep. No. 380-72**.

Upon consideration hereof, because the bill, as introduced, was amended improperly as to technique by your Committee on Lands under **Stand. Com. Rep. No. 380-72**, aforesaid, (using the Ramseyer method), we recommended the bill to incorporate the recommended changes (without regard to House Rule 24(2), which is not applicable.)

And, because the task of removing brackets, bracketed material and underscoring, in addition to incidental alterations which we propose, your Committee has amended the bill, as introduced, rather than with reference to **H. D. 1**, as follows:

(1) Delete the word, "partially" in line 12, page 1 of the bill, so that the sentence reads as follows: "(4) The preliminary investigation has been completed and indicates that such an exposition is feasible, provided proper planning is initiated and federal and local support (both financial and moral) is secured;"

(2) The sentences beginning on line 17 on page 1 under (6) is deleted in its entirety and the following inserted in lieu thereof: "(6) Hawaii has an obligation to celebrate its own bicentennial. Such celebration should most appropriately follow the American Bicentennial by featuring Hawaii's new horizons and challenges and their impact on the nation and on the nations of the Pacific. One of the subsidiary themes of the American Bicentennial, that of many races and creeds contributing to the growth of a great nation, is particularly appropriate to Hawaii and shall result in national focus on Hawaii in 1976 which will have carryover to 1978;"

(3) Insert the words, "for a marine exposition", in line 5, page 2, in order that the sentence shall read, "(7) considerable conceptual development for a marine exposition has already taken place;"

(4) Delete the sentence beginning on line 6 on page 2 of the bill in its entirety, and insert the following in lieu thereof: "(8) space and concept choices must be made for the exposition and its siting prior to the end of calendar year 1972;"

(5) Delete the sentence beginning on line 8 of page 2 and substitute the following to read: "(9) a bicentennial marine exposition commission should be appointed to begin planning as soon as feasible in 1972;"

(6) Delete the word "that" in line 12 of page 2 in order that the sentence shall read "(10) subsequently and as a result of the efforts of the commission, an independent, non-profit corporation should be formed, and this corporation working closely with the commission shall complete overall planning and development of the bicentennial marine exposition so that compliance with federal

international exposition regulations and Bureau of International Exposition regulations may be accomplished.”

(7) Insert the word “Hawaii” in line 20 of page 2 and delete the words “founding of the United States” in line 24, and insert in lieu thereof the words, “discovery of Hawaii by Captain James Cook”, so that the sentence shall read as follows: “There is established a commission to be known as the Hawaii Bicentennial International Marine Exposition Commission which shall have charge of all arrangements for the holding of an international marine exposition in the State of Hawaii, to coincide with the bicentennial commemoration of the discovery of Hawaii by Captain James Cook.”

(8) Insert the words, “the board” immediately after the word, “of” contained in line 11 of page 3.

(9) Delete the following sentence in lines 12 and 13 on page 3 in its entirety: “The governor shall designate the chairman of the commission.”

(10) Delete “1976 to 1978” contained in the last line on page 3 and insert in lieu thereof, “the latter half of 1977 or the first half of 1978 and in either event encompassing January 1978.”

(11) Delete “1971” in line 2 on page 4 and insert “1972” in lieu thereof.

(12) Delete “1976 to” in line 13 on page 4 and insert “1977 and” in lieu thereof.

(13) Delete “\$400,000” in line 1 on page 5 and insert “\$200,000” in its place; delete the phrase “for the next fiscal biennium at \$200,000 per year” (following the sum appropriated) in lines 1 and 2 on page 5; add the phrase “to be expended by the office of the governor for . . .” preceding the phrase “the purposes of this Act”, deleting the phrase “the accomplishment of” in lines 2 and 3 on page 5; and add the phrase “provided that” preceding the phrase “of this appropriation” in line 3 on page 5.

As such, the substance of this bill, as reamended herein, is as was intended by your Committee on Lands in the form attached to **Stand. Com. Rep. No. 380-72**, aforesaid, as **H. D. 1**; and, except for incidental changes in punctuation and the language of the appropriation provision, the bill, as reamended, is

identical in form to companion **S. B. No. 903, S. D. 1**, as reported by the Senate Committee on Ecology, Environment and Recreation under **Senate Stand. Com. Rep. No. 129-72**.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 1043, H. D. 1**, as amended herein, and recommends that it pass third reading in the form attached hereto as **H. B. No. 1043, H. D. 2**.

Signed by all members of the Committee except Representative Fong.

SCRep. 523-72 Finance on **H. B. No. 2111-72**

The purpose of this bill is to reappropriate certain unused funds for expanding the present two-year medical school at the university of Hawaii to a degree granting program, previously appropriated for the research and development phase thereof.

From the unencumbered and unexpended balance of the sum of \$299,000 appropriated by Act 80, Session Laws of Hawaii, 1971, to initiate the research and development phase, funds are reappropriated for non-capital investment or operating costs of a four-year medical school for the fiscal biennium 1971-73, authorizing, also, with the approval of the governor, the establishment of 10 additional positions.

Last year, in reporting on **S. B. No. 747, S. D. 2** (which was enacted as Act 80), your Committee, in recommending its passage under **Stand. Com. Rep. No. 891**, incorporated certain findings and conclusions of your Committee on Higher Education on said bill under **Stand. Com. Rep. No. 779**, quoting in part from Senate **Stand. Com. Rep. No. 147**, also thereupon:

“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 im-

plementation 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. (Underscoring supplied).

“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.”

Background:

In order to appreciate the concerns previously expressed, it is appropriate perhaps to place the whole medical school question in perspective from its inception: The origin of the school of medicine at the university goes back to 1960, when preliminary discussion of a two-year medical school was initiated, 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 legislature passed **S.C.R. No. 7** which endorsed such a program and requested the university to report its findings and recommendations the year following. In that report, the university advanced the concept of a two-year school of medicine; and 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 of the legislature the undertaking of a feasibility study to determine whether a four-year school was 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 two-year school could have an impact in combating health problems in the State, requested the university, in turn, 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 proposed the establishment of a degree-granting facility which would enable students to gain clinical experience in community hospitals rather than in a separate university hospital. The consultants concluded that it would be wise to establish a four-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 four-year school was 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.

Heretofore, your Committee on Higher Education reporting upon the instant bill (**H. B. No. 2111-72**) under **Stand. Com. Rep. No. 269-72**, has exhaustively (14 pages with supplementary exhibits) explored the question of a four-year medical school at the university. We shall not hereat reiterate the substance thereof; however, to the extent that the findings and recommendations therein are not inconsistent herewith, the same are incorporated herein by reference. Both Committees received and considered essentially the same testimonies from persons or on behalf of associations, all directly related to or interested in the medical school question—and all reflecting a consensus favoring a four-year program.

As did your Committee on Higher Education, we reviewed the research and development report by Dean Terence Rogers of the university medical school in consultation with Dr. David Rogers of John Hopkins University and the cost analysis by the consultant firms of Naramore and Johanson, and Arthur Young. These reports, accompanied by supplements requested by the House and Senate Higher Education Committee chairmen from Dean Rogers after hearings, detail curriculum plans and costs for the third and

for enrollment of third year students. These fourth years of the medical school.

On the basis of these reports, the university has recommended: (1) that the legislature authorize the implementation of a third-year class in 1973, and (2) that approximately \$228,290 of unspent funds originally appropriated in 1971 be converted to "non-capital investment" and further "operating" costs for the balance of the fiscal biennium 1971-73, as follows:

Expenditures to date (research and development)	\$ 6,513.86	
Projected expenditures through June 30, 1972	<u>64,196.14</u>	
Total expenditures as of June 30, 1972		\$70,710.00

Projected Budget: 1972-73

Personnel:

Title		Position Count	Salary
Associate Dean	(Dean's Off.)	1.0	\$ 24,380
Professor	(OB-GYN)	1.0	24,380
Professor	(MED)	1.0	24,380
Professor	(PED)	1.0	24,380
Professor	(FAM MED)	1.0	24,380
Associate Prof.	(MED)	1.0	\$ 18,940
Secretary	SURG., PSYCH., OB-GYN, PED.	4.0	25,392
		<u>10.0</u>	<u>\$166,232</u>

Consultants: 31,468

Student Help: 1,390

Supplies: 14,900

Equipment: 14,300 \$228,290.00

TOTAL EXPENDITURES \$299,000.00

According to the testimony of university of Hawaii President Harlan Cleveland:

"The savings in the R and D funds arose principally because the existing medical school faculty were able to undertake most of the hospital negotiation work, and we did not need to make the large outlay for consultants that had been anticipated. Furthermore, the cooperative attitudes of the hospitals and the constructive intercession of the Hawaii Medical Association permitted negotiations to proceed much more rapidly than expected."

Costs:

The McDermott report listed three "essential preconditions" (so denominated) as aspects of the research and development phase

were "program", "affiliation agreements", and "costs".

It appears to your Committee that the general program and budget configuration for the medical school, as supplemented, are in order. As to the educational program and related affiliation agreements, we defer to your Committee on Higher Education in **Stand. Com. Rep. No. 269-72**, aforesaid. However, as did your Committee on Higher Education, we also have some reservations respecting the methods of financing a degree-granting program to which the State will be committed by authorization thereof, hereby.

Your Committee's findings which follow are based, essentially, upon the cost analysis report by the consultant firms of Naramore

and Johanson, and Arthur Young (hereinafter "N & Y"), and focus upon capital improvement costs of new construction, non-capital investment and operating requirements, and prospects for federal funds.

Capital Improvement Costs:

Your Committee finds that, according to the consultants, a total of 110,800 gross square feet is needed for the stabilized M.D. degree-granting program at the six existing teaching affiliate hospitals. (N & Y, Exhibit 3, p. 11.) Estimates of the total capital improvement cost of implementing the program given range from the "lowest probable" to the "highest probable" cost, and, for comparison, "cost of all new construction" (exclusive of land acquisition):

Lowest probable cost	\$5,680,000
Highest probable cost	\$7,090,000
Cost of all new construction	\$8,060,000

(N & Y, Exhibit 5, p. 15.)

The consultants concluded generally that the hospitals do provide an adequate base for teaching which will be greatly strengthened as they implement their own long-range plans and incorporate facility requirements of the teaching program. Initially the sharing of programs will require a compromise of physical facilities, but all temporary location of programs appears feasible. In terms of capital improvements and space requirements over the period from start-up (1973-74) to maturity (1976-77):

1. 17.7% of the total space expected at maturity is currently available for use.

2. Another 34% is available, but requires remodeling to meet specific needs. Much of this can be used on an "as is" basis, making a total of 51.9% space currently available.

3. Approximately 8,200 gross square feet, or 48%, must be leased from private sectors at Queen's and Kapiolani from start-up to maturity.

Other factors such as site expansion and

land acquisition, and current adequacy of site with respect to individual hospitals, are included in the probable costs.

In this regard, your Committee has before it and is considering the administration's supplemental capital improvements bill, item 4 of which under the university of Hawaii requests the following appropriation:

4. University of Hawaii Medical School Development, Statewide—Plans, construction, and equipment for development of facilities for a medical school, including clinical teaching facilities at community hospitals participating in medical education — \$1,800,000.

Non-capital Investment and Operating Costs:

Your Committee is informed that expenditures for non-capital investment and operating aspects of the third- and fourth-year increments are to begin in fiscal year 1972-73, using \$0.5 million of the \$3 million federal "start-up money" for conversion from the two-year program. Thereafter, these costs have been projected over a six-year span in conformance with PPB requirements. Totals for the intermediate fiscal years range from \$4 million in 1973-74 to \$6.4 million in 1978-79.

For 1972-73, 81.75 positions have heretofore been authorized for the medical school. However, according to Dean Rogers, an additional ten positions are needed to effectuate the transition from a two-year to a four-year program. The budget appropriation for positions will require no increase for this period, however, as the cost will be defrayed by reappropriation of the unused research and development funds authorized by this bill, together with the federal start-up grant.

Federal Funds and State Costs:

Your Committee believes that an accurate picture of the financial implications of a four-year medical school may be obtained by assessing Federal and State funding possibilities. The report of Naramore and Johanson, and Arthur Young, contains summary projections of the total costs and the methods of funding the third- and fourth-year increments from 1973 to 1979.

Federal funds are expected to account for 70% of the third-year start-up costs, according to President Cleveland. Title I of the Comprehensive Health Manpower Training Act of 1971 (PL 92-157) provides the following grants that may assist the university of Hawaii four-year program in particular:

1. Formula (Capitation) Grants: Section 770(j) of the Act authorizes appropriations for capitation grants for schools of medicine, osteopathy, and dentistry. Section 770(a) provides for capitations at the following levels:

\$2,500 per full-time first-, second-, and third-year student;

\$4,000 per graduate, except in the case of three-year training programs or programs allowing completion of requirements for M.D. degree within six years post-high school, when the amount per graduate shall be \$6,000;

\$1,000 per full-time student in training program for physicians' assistants or dental therapists.

In this regard, it should be noted that the university presently receives capitation grants for its two-year program.

2. ("Start-up") Grant Assistance for conversion from a Two-Year School of Medicine to a Degree-Granting School: Section 771(b) authorizes special one-time grants for any two-year school of medicine which intends to become a school accredited to grant the M.D. degree. This is equal to \$50,000 times the number of students enrolled in the school's first third-year class. The school must submit its application for conversion to the Secretary before July 1, 1974, and enroll a third-year class in the school year beginning in the fiscal year 1975.

Dean Rogers has emphasized that the university start-up application stands little chance of being accepted if the State fails to authorize the degree-granting medical school **this session** of the Legislature.

3. Special Project Grant Assistances: Section 772(a) authorizes grants for specific projects outlined in the Act, many of which fit Hawaii's situation, e.g., multi-ethnic population, curriculum directed toward family

medicine and a team approach to delivering health services. Grants from private sectors may also be obtained. These assistances will not contribute to the costs of the medical school. Rather, they may be used to obtain facilities and draw and retain top faculty.

Dean Rogers has reported that grant papers have been filed for specific projects, and he is presently awaiting word of their status. Two applications for "interdisciplinary training" and "clinical pharmacology" are contingent upon legislative authorization of the four-year program. This grant support is clearly **in addition** to that already set out in the reports originally submitted.

4. Construction Grant Assistance: The Act also authorizes federal grants to assist in the construction, expansion, or renovation of schools of medicine and the other health professions. It includes assistance for acquiring existing buildings and is awarded to hospitals and out-patient facilities affiliated with a school of medicine. Further, the maximum federal share of costs of construction for new schools or major expansion of existing schools is raised from up to 66-2/3% to up to 80%.

It should be noted that such federal assistance has little effect on the costs the State must bear out of the general fund, as CIP funding is by way of general obligation bonds.

On the other hand, and even though it has been speculated by President Cleveland that there is a "significant possibility" federal support may increase, your Committee feels strongly and we hereby recommend that there be a long and hard look at the prospectively heavy financial burden which expansion of the medical school to a degree-granting program will produce. As noted by your Committee on Higher Education in **Stand. Com. Rep. No. 269-72**, *afore-said*:

"A \$6 million load on the State in the 1973-75 biennium is projected to increase to an \$11.8 million need by the 1977-79 biennium—and for only the third- and fourth-year programs!" (Citing *ibid.*).

Your Committee on Higher Education noted additionally, however, that it had re-

ceived “unanimous encouragement” from the Hawaii Congressional delegation “about the prospects of securing federal funds,” and “guaranteeing cooperation” with federal officials upon grant applications submitted by the university. It was also noted that Dean Rogers has also “been in touch” with relevant Department of Health, Education, Welfare personnel, especially at the National Institute of Health.

Finally, your Committee on Higher Education expressed “caution . . . in a positive context, stating its belief (by reiteration from **Stand. Com. Rep. No. 891** on **S. B. No. 747, S. D. 2** of last year, aforesaid) that: “the need for upgrading medical care outweighs the cost.” Whether, however, this pronouncement of principle can withstand the test of syllogistic application to the immediate issue raises serious doubt, for your Committee on Finance cannot concede that the “need” for expanding the medical school to a degree-granting program outweighs the cost.

Therefore, although we have agreed that the budget configuration, as supplemented, appears to be in order, your Committee, in recommending the requested reappropriation does so, conditionally: First, that in the exercise of his powers inherent in the statutory system of allotment, the director of finance shall, in order to effectuate all possible savings, review the cost analysis, as supplemented, and all other reports to which we have referred for the purpose of verifying the fiscal factors therein and considering, with regard to changing conditions, such alternative sources of funding as may be available and appropriate. Based upon the estimates of amounts required to implement the four-year medical school, and, having due regard for its probable further and future needs, the terms and purpose of this appropriation, the prospective progress of the collection of revenues, the condition of the treasury, and the probable receipts and total cash requirements, the director of finance shall allot the funds therefor. Otherwise, and in the discretion of the governor, he shall not make the appropriation available.

Your Committee has amended the bill essentially as to statutory style, leaving unaltered the substantive import thereof. It has been provided that the unused balance of the Act 80 money is reappropriated “for the fiscal biennium 1971-73”, rather than for the fiscal year 1972-73, because if it is decided

that the funds shall be allotted, it is our understanding that the university is anxious to undertake expansion of the program forthwith. The effective date hereof is upon approval.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 2111-72, H. D. 1**, as amended herein, and recommends that it pass third reading in the form attached hereto as **H. B. No. 2111-72, H. D. 2**.

Signed by all members of the Committee except Representative Fong.

SCRep. 524-72 Finance on H. B. No. 2191-72

The purpose of this bill is to appropriate out of general revenues the sum of \$65,000 to continue production of the “labor oriented” educational television series “Rice and Roses”.

“Rice and Roses” is the Hawaiian version of the famous labor poem “Bread and Roses”. In January of 1971, representatives of nearly all labor unions in Hawaii met to put together a T.V. series by and for the working people of Hawaii. From those 60 people present at that January meeting, a subcommittee known as the Labor Advisory Committee was formed, which began work with the University’s Labor-Management Center and the ETV staff to produce a labor show, so-entitled.

The first segment of the series was aired on February 14, 1971 and was followed by 12 other segments. All segments were made possible by Federal Title I money. According to the Labor Advisory Committee, which includes representatives of ILWU, HGEA, UPW, Unity House and the State Federation of Labor, the series provided and hopefully will continue to provide, the working people of Hawaii with important and necessary information as to legislation which affects them, ways to protect themselves as consumers, public services available to them, and an up-to-date account of happenings within the labor movement.

In order to continue the series over the 39-week period, it is estimated by the Educational Television Network that approximately \$65,000 will be required, as follows:

A. Additional Funds Required

I. Annual Production Costs		\$26,170.00
Staff (Producer & Asst.)	\$23,000.00	
Production Supplies	2,000.00	
Promotion & Evaluation	<u>1,170.00</u>	
II. Color Film and Video Tape		16,285.00
2,100' color film/show		
@ 15¢ x 39	12,285.00	
20 Tapes @ \$200	<u>4,000.00</u>	
III. Professional Fees (\$125.00 per show)		4,875.00
IV. Student Crew		9,360.00
120 hrs/show @ \$2.00 an hour		
V. Cinematographer/Editor & Equipment (\$200/program)		<u>7,800.00</u>
Total Additional Funds Required		\$64,490.00

B. HETV "In Kind" Costs

I. Director		\$ 8,000.00
II. Engineer (12 hrs/show @ \$6.50)		3,042.00
III. Graphics (15 hrs/show @ \$6.00)		3,510.00
IV. Cinematographer (8 hrs/show @ \$6.00)		1,872.00
		<u>\$16,425.00</u>
Fringe Benefits		2,358.00
Total "in kind" costs		<u>\$18,782.00</u>
TOTAL COST OF COMPLETE SERIES OF 39 SHOWS		<u>\$83,272.00</u>

"In kind" costs require no appropriation by this bill; but including those costs in the production averages out to approximately \$2,135 per hour program which, according to ETV administrators, which compares with the national average of about \$2,500 for locally produced programs for local distribution, or \$48,000 for locally produced programs for network distribution.

Your Committee has amended the bill in several respects other than incidental changes as to statutory style, punctuation and spelling which were also effected:

1. In section 1, the monies appropriated were specified to supplement "prior appropriations of State funds made to match federal funds", rather to "match federal funds . . . together with matching (State) funds . . ." This is because we understand that no further federal funds are available.

2. In section 2, the provision that the sum appropriated shall be placed in a "special trust fund" was changed to "special fund" for the Educational Television Network,

which was also replaced by the university of Hawaii as expending agency. This is because the setting aside of the appropriation for the specified purpose comports more properly with the definition set forth in Sec. 37-62 (45), Hawaii Revised Statutes (relating to "special funds") rather than Sec. 37-62 (48) (relating to "trust funds"); and because E.T.V., being within the university of Hawaii, the latter is the proper agency to expend the appropriation. (See Sec. 37-62(1)).

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 2191-72, H. D. 1**, as amended herein, and recommends that it pass third reading in the form attached hereto as **H. B. No. 2191-72, H. D. 2**.

Signed by all members of the Committee except Representative Fong.

SCRep. 525-72 Joint Select Committees of Kauai Representatives, Maui Representatives, Oahu Representatives and Hawaii Representatives on **S. B. No. 565**

The purpose of this Bill is to allow a licensed liquor retail dealer to display and sell wine from any place within the licensed premises.

Under present law, if the retail dealer's licensed premises is not used exclusively for the sale of liquor, then he is required to set aside a space upon the licensed premises specially for the sale of liquor. This Bill will provide the retail liquor dealer with greater flexibility in the display, merchandising and sale of wine.

Your Committee has deleted portions of **S. D. 1** which would have granted a similar exemption to beer because it is our opinion that such exemption is not appropriate at this time. Your Committee has further provided for display guidelines to be established by the liquor commission.

Your Committee has also deleted portions of **S. D. 1** which would have allowed a minor employed by the retail liquor dealer as a clerk to sell wine for consumption off the premises because the age of majority has now been dealt with as a separate issue in its entirety.

Your Joint Select Committee of Kauai, Maui, Oahu and Hawaii representatives is in accord with the intent and purpose of **S. B. 565, S. D. 1** as amended herein, and recom-

mends that it pass Second Reading in the form attached here as **S. B. 565, S. D. 1, H. D. 1** and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives O'Connor, Sakima and Judd.

SCRep. 526-72 Public Health, Youth and General Welfare on **H. B. No. 2283-72**

The purpose of this bill is to eliminate the statutory seventy per cent passing grade for pharmacist licenses and to allow the Board of Pharmacy to establish the passing grade by rule.

This bill will enable the Board to upgrade or modify examinations or requirements regarding examinations as progress and developments in the profession might require. Your Committee feels that this is a laudatory purpose but thinks that there should remain a minimum passing grade. So as not to permit a lowering of the standard it is the feeling of your Committee that the seventy per cent grade should be a minimum with the board permitted by rule to raise the passing grade. Your Committee has made an appropriate amendment.

Your Committee on Public Health, Youth and General Welfare is in accord with the intent and purpose of **H. B. No. 2283-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 2283-72, H. D. 1** and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 527-72 Judiciary on **H. B. No. 2190-72**

The purpose of this bill is to revise the limitation of actions in Hawaii as it pertains to counterclaims and to third-party defendants.

Section 1 of this bill is a combination of sections 657-3 and 634-97 of the Hawaii Revised Statutes, with the addition of provisions taking care of counterclaims arising out of the same transaction or occurrence.

The present statutes apply only to a setoff. A setoff must be liquidated but need not arise out of the same transaction as the opposing party's claim. **Oahu Railway Co. v. Waialua**

Agricultural Co., 16 Haw. 520. As the term "setoff" is not used in the rules it is desirable that this term be, and it has been eliminated.

The present Sec. 634-97 applies to any setoff, but Sec. 657-3 is limited to a contract debt. No reason appears why its scope should be so limited. The terminology of the revised section is taken from HRCF, Rule 13(a), and would include a claim on a judgment.

Not covered by either section at the present time is the application of the statute of limitations to defendant's unliquidated claim arising out of the same transaction or occurrence. At common law this was deemed matter in recoupment, not a setoff, and defendant could not recover any excess. **Erickson v. Volcano Stables and Transportation Co.**, 13 Haw. 428, 431. No statute is necessary to avoid the bar of the statute of limitations if a claim arising out of the same transaction is used only as matter in recoupment. 3 Moore's Federal Practice Sec. 13.11, note 1. However, a defendant who not only defeats the opposing party's claim but also shows that he is entitled to recover should not be barred by the statute of limitations as to the excess arising from the same transaction. See **Azada v. Carson**, 252 F. Supp. 988 (D.C. Haw.). As revised, the statute would apply the same principle to a defendant's unliquidated claim arising from the same transaction as it now applies to a liquidated claim, that is, defendant's claim would relate back to the time when plaintiff commenced his action.

The section has been expanded to take cognizance of the rules, under which the right of counterclaim is not limited to a defendant. A counterclaim may be pleaded by a party against any opposing party. For example, the plaintiff might plead a counterclaim in his reply, or a party upon whom a crossclaim has been served might plead a counterclaim against the co-party who thus has become an opposing party. See 3 Moore's Federal Practice Sec. 13.08 and Sec. 13.34 at p. 92. As it is not clear whether a third-party defendant's claim against the plaintiff should be called a counterclaim, special mention has been made of this situation in the revised section. See 3 Moore's Federal Practice Sec. 13.06 at n. 13, and compare HRCF, Rule 14(a) with FRCP, Rule 14(a).

The provisions of the revised section would apply as shown by the following illustration:

On February 1, plaintiff sues defendant on a liquidated claim (money had and received by defendant while in plaintiff's employment.) On March 1 defendant counterclaims for unpaid salary. This counterclaim relates back to February 1. On March 20 plaintiff counterclaims for damages for breach by defendant of the contract for personal services. Plaintiff's counterclaim also relates back to February 1.

Section 2 of the bill proposes to add a new HRS section 657-7.5 relating to the limitation of actions of plaintiff's claim against third-party defendants. Though ordinarily the statute of limitations requires that a party defendant be alerted to the claim before the running of the statutes, the proposed new section is not based on any consideration of when the third party was alerted to the claim. It could extend the statute of limitations for a considerable period, because the time within which a defendant may bring in a third party is not limited. However, after the third party had been brought in and upon notice thereof, plaintiff would have to move quickly.

Your committee amended Section 2 of this bill to provide that when a defendant, against whom action has been timely brought, brings in a third-party defendant who is or may be liable to him or to the plaintiff for all or part of the plaintiff's claim against him, plaintiff within thirty days after the date of filing of the third party defendant's answer, may assert against the third-party defendant any claim, arising out of the original transaction or occurrence that is also the subject matter of the third-party plaintiff's claim against the third-party defendant, which would have been timely if the third-party defendant had been joined originally as a defendant, notwithstanding any statutory period of limitations otherwise applicable to plaintiff's claim. This enables plaintiff to sue third-party defendant in such period only for a claim growing out of the subject matter of the original complaint and which is also the subject matter of the third-party plaintiff's claim against the third-party defendant.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2190-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 2190-72, H. D. 1**, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 528-72 Judiciary on **H. B. No. 2509-72**

The purpose of this bill exempts for registration requirements certain antique weapons and other devices capable of doing harm.

The law presently requires all weapons of any vintage, construction or degree of serviceability to be registered. This requirement is unnecessary where the character of the weapon demonstrates that there is no or only negligible danger by its presence in the State.

Your Committee has amended the bill in item (a) to make it clear that only devices designed to fire loose black powder are to be exempt. Also, a very broad exemption provided in item (c) of the original bill is deleted as ambiguous and too open end. Item (d) has been accordingly renumbered.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2509-72** as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 2509-72, H. D. 1**, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 529-72 Judiciary on **H. B. No. 2449-72**

The purpose of this bill is to change the Uniform Securities Act (Modified) to provide a single scheme of administrative regulation and to permit the payment of commissions or other remunerations for transactions which are now considered exempt. The bill also attempts a modification of the term "salesman" contained in the law.

With respect to the treatment of condominium sales, while we agree that there should be a single scheme of administrative regulation the bill goes too far in that respect. There are presently adequate safeguards for purchasers where the sale of a condominium unit is offered in conjunction with the rental management contract or limited partnership. However, if a project is to be converted from a residential condominium to a hotel, the promoter who offers the rental management contract for limited partnership should then not be exempt from the security laws. In that instance, the offering does not differ in any

material respect from any other offerings for securities and should be subject to the same disclosure requirements. Accordingly, the amendment of Item (14) proposed by Section 1 has been amended to limit the exemption created by the bill. Section 1 also attempts to modify the definition of the word "salesman". Security experts have testified that they cannot see any purpose to that amendment and as your committee is of the same feeling, that portion of Section 1 has been deleted.

Section 2 of the bill changes the security law to permit the charging of commissions in the offering of securities under various circumstances where they are not now allowed. Your committee feels that these amendments would undermine the exemption now available in the law and that there is no compelling reason to change the law from the uniform wording adopted in about twenty-six states. We have, therefore, deleted the amendments to Paragraphs (9), (10), and (11) of Section 485-6. Section 2 of the bill also amends Item (3) of Section 485-6. The amendment makes reference to the term "transactions in securities". However, the term is not found in the paragraph to which the definition is intended to apply. This latter amendment is also unnecessary and has been deleted from the bill.

Finally, the wording of the first lines of Sections 1 and 2 of the bill appear unintentionally to repeal a major part of the existing law by substituting the amended wording of a few paragraphs for the entire section. The appropriate correction has been made.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2449-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 2449-72, H. D. 1**, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 530-72 Judiciary on **H. B. No. 2196-72**

The purpose of this bill is to allow industrial loan companies to have outstanding investment certificates and registered debentures up to ten times the aggregate amount of its paid-up capital and surplus. Existing law permits an industrial loan company to issue investment certificates and de-

bentures only up to five times the aggregate amount of its paid-up capital and surplus.

Your Committee has amended this bill to provide increased protection to holders of investment certificates and debentures. The amendment would require the industrial loan company to obtain the prior approval of the Bank Examiners before it can issue investment certificates in excess of five times the aggregate paid-up capital and surplus.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2196-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 2196-72, H.D. 1** and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 531-72 Lands on S. B. No. 967

The purpose of this bill is to amend Section 191-21, Hawaii Revised Statutes, and thereby expand the authority of the Department of Land and Natural Resources in its management of game mammals throughout the State. To clarify the intent of the bill, your Committee has further amended the bill by adding the word "feral" before the word "sheep" on line 7 and the words "method of taking" after the coma on line 13.

Your Committee on Lands is in accord with the intent and purpose of **S. B. No. 967**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **S. B. No. 967, H. D. 1**, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 532-72 Judiciary on H. B. No. 1752-72

The purpose of this bill is to prevent insurers doing business in Hawaii from practicing unfair claim settlements to the detriment of claimants by establishing reasonable guidelines and penalties with respect to adjustment of claims by insurers.

The following would be considered unfair claim settlement practices if committed without just cause and with such frequency to a general business practice:

1. Misrepresenting provisions,
2. Failure to acknowledge communications,
3. Failure to settle claims promptly and equitably,
4. Failure to investigate claims promptly, or
5. Compelling policy holders to institute suit to recover claim.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 1752-72, H. D. 1** and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 533-72 Judiciary on H. B. No. 1956-72

The purpose of this bill is to clarify and define the provisions of the Milk Control Act. The bill provides a better definition for the term "milk shed" so as to permit the establishment of milk control not only in an entire county but also on one or more islands or a portion of an island within a county. The bill also reinstates Section 157-32, "Standards to determine minimum prices" and Section 157-35 "Compensatory payment" which were inadvertently omitted from the bill passed last session.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 1956-72** and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 534-72 Judiciary on H. B. No. 1991-72

The purpose of this bill is to empower the Board of Agriculture to issue summons and citations to enforce the quarantine law.

The present lack of authority to issue citations and summons for violations of the quarantine law seriously impedes the effectiveness of the enforcement officers of the Department of Agriculture. This applies particularly to animal inspectors working at the airports in Honolulu and Hilo.

It is the opinion of the Department of Agriculture that attempts to enter animals contrary to law would be reduced dramatically if it became known that the offenders would be promptly cited for violations.

The State has laws controlling import of potential pests and disease carriers with penalties for their violation. It also has a complex procedure for review and approval of import applications. We require a four-month rabies quarantine program. The Board of Agriculture guards the many points of entry into the State to insure strict compliance with our quarantine laws. Yet, it does not have the authority to issue citations and summons to those who deliberately violate these laws. This bill would remedy this serious weakness in the State's program of preventing unauthorized importing of animals, plant pests and diseases into the State.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 1991-72, H. D. 1**, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 535-72 (Majority) Judiciary on H. B. No. 867

The purpose of this bill is to restrict the use of parked vehicles for purposes of human habitation. Your Committee amended the title of this bill by deleting the words "lacking in sanitary living facilities", so that it shall read: "A BILL FOR AN ACT PROHIBITING THE USE OF MOTOR VEHICLES AS A DOMICILE OR RESIDENCE". Definition difficulties and amendments made hereunder by your Committee to implement the intent of this bill necessitate this change.

This bill, as originally proposed, would restrict the use of a motor vehicle as a domicile or residence if it lacked sanitary living facilities. Upon hearing on this bill and other related bills, your Committee amended this bill to add provisions specifying and clarifying the intent of this bill. As amended, this bill would restrict the use of any vehicle for purposes of human habitation while the vehicle is on public property between the hours of 6:00 p.m. and 6:00 a.m. or while the vehicle is on private property without the authorization of the owner or occupant of the property. These provisions do not apply to the use of any vehicle for purposes of human habitation in parks, camps, and other recreational

areas in compliance with law and applicable rules and regulations, or under emergency conditions.

Your Committee has further amended this bill to provide that the department of health shall promulgate rules and regulations, pursuant to Chapter 91, necessary for the administration of this bill and that each of the counties may enact and enforce ordinances regulating the use of vehicles for purposes of human habitation.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 867**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 867, H. D. 1** and be placed on the calendar for Third Reading.

Signed by all members of the Committee. Representatives Roehrig and Wong did not concur.

SCRep. 536-72 Judiciary on H. B. No. 1891-72

The purpose of this bill is to consolidate the delayed birth registration of persons over one year of age (under the Hawaiian Birth Certificate Program) with the delayed birth registration of persons under one year of age following legislative transfer of the Hawaiian Birth Certificate Program from the Lieutenant Governor's Office to the Health Department on July 1, 1970 and to establish new provisions relating to judicial review and delayed registration of deaths, fetal deaths, marriages and divorces.

This bill will amend Section 338-15 and Sections 338-41 to 44 and establish new sections on judicial review procedure. Prior to July 1, 1970, one type of delayed birth registration (for persons under one year of age) was administered by the Research and Statistics Office of the Health Department under Section 338-15, Revised Hawaii Statutes. A second type of delayed birth registration (for persons over one year of age) was administered separately by the Hawaiian Birth Certificate Program at the Office of the Lieutenant Governor under Section 338-41. On July 1, 1970, the Hawaiian Birth Certificate Program was transferred by the Legislature to the Health Department so that all delayed birth registration would be centralized in a single department.

Your Committee heard testimony from the State Department of Health that, under the provisions of this bill, the two different types of delayed birth registration procedures mentioned above will be merged into a consolidated uniform delayed birth registration procedure and follows the Model Vital Statistics law recommended by the Vital Statistics Division of the National Center for Health Statistics and adopted by all of the other state vital statistics offices. A judicial procedure to establish facts of birth will be provided for persons failing to meet the standards of the delayed birth registration program. This will merely formalize the steps that such applicants would normally take even if this provision is not enacted. Provision will also be made for the delayed registration of deaths, fetal deaths, marriages and divorces when these events are not registered during the time prescribed by law or regulation. This provision merely formalizes procedures carried out administratively at present.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. 1891-72** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 537-72 Judiciary on **H. B. No. 2192-72**

The purpose of this bill is to remove the \$50,000 ceiling for loans made by savings and loan associations on residential property. A large percentage of homes in the present market are in the price range of \$65,000 to \$100,000 and more. The routine 80 per cent loan-to-value mortgage on these homes obviously requires loans in excess of \$50,000.

Your Committee has amended the bill to conform to House Rule 24 (2).

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2192-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 2192-72, H. D. 1** and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 538-72 Judiciary on **H. B. No. 2258-72**

The purpose of this bill is to expand the requirements for the use of safety glass.

The bill amends various sections of part XII of chapter 321 which establish requirements for the insulation of safety glass in construction projects. Section 321-131 defines "hazardous locations" where the installation of safety glass is required. Under the present wording of that section, safety glass seems to be required for existing structures where it was not originally installed. The amendment to that definition section makes it clear that the standards apply only to future construction and does not require the reglazing of all home and commercial buildings constructed before the effective date of the Act. The amendment to this definition also makes it clear that the glazing requirements apply to remodeling projects in addition to new construction.

A new definition, "immediately adjacent to" is also added to that section to define with greater precision the danger areas, next to glass doors, where the insulation of safety glass is required. However, the wording of the last paragraph of section 321-131 appears unclear and may not accomplish the intended purpose. If it is intended to require safety glass in adjacent areas wider than 12 inches in width then the bill may not accomplish this by the language added. On line 18 of page 2 the phrase, "which is not more than 12 inches" may be the result of a typographical or drafting error. We have amended the bill to make it clear that panels of 12 inches or more require safety glass.

The bill also changes the labeling requirements for safety glass. The law presently puts a labeling requirement on persons who manufacture, handle and sell safety glass. This is changed by the bill by requiring those who install the safety glass to use only the glass which has been so labeled. The bill also requires sellers of safety glass to post the requirements of the law in their places of business.

Finally, the bill also makes several technical revision changes.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2258-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 2258-72, H. D. 1**, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 539-72 Judiciary on **H. B. No. 2262-72**

The purpose of this bill is to amend the law relating to credit card offenses by lowering the value of money, goods, services and other things of value obtained in violation of this law from \$500 to \$100.

One of the contributing factors to the fraud problem in Hawaii has been the fact that it is almost impossible to prove \$500 in credit card fraud against an individual. It is rare to obtain witnesses who can positively identify the suspect as having purchased items totalling over \$500 with the fraudulently used card. Lowering the amount to \$100 would curtail the activities of those persons who might contemplate "running" a stolen card and also reduce the marketability of stolen cards. Your Committee has amended the bill to reinstate certain words now in the existing statute inadvertently omitted.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2262-72**, as amended herein, and recommends that it pass Second Reading and be placed on the calendar for Third Reading in the form attached hereto as **H. B. No. 2262-72, H. D. 1**.

Signed by all members of the Committee.

SCRep. 540-72 Finance on **H. B. No. 2208-72**

The purpose of this bill is to permit the department of education and appropriate county agencies to establish and regulate after school and weekend activities at public school and public park facilities and to give status as government employees **including liability coverage** to persons in voluntary or unpaid capacity who supervise these programs.

Such volunteers should be, in effect, treated as government employees and personally exonerated from liability for their negligent acts. Your Committee is informed that an increasing number of planned programs for youngsters is being coordinated by and between the department of education and the county parks and recreation departments for which adult assistance will be solicited. It is hoped that the protection provided to persons in voluntary or unpaid capacity

who supervise after school and weekend activities will encourage more people to offer their services for the benefit of the children, and further encourage use of school facilities during non-school hours.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 2208-72** and recommends that it pass third reading.

Signed by all members of the Committee except Representative Fong.

SCRep. 541-72 Public Institutions on **S. B. No. 1346-72**

The purpose of this bill is to amend Section 394-2, Hawaii Revised Statutes, so as to establish within the Department of Social Services and Housing a program of useful public service employment exclusively for welfare recipients.

Presently, Chapter 394 provides for a public service employment program within the Department of Labor and Industrial Relations for unemployed and underemployed persons generally. Refusal to accept suitable work under this program renders a public assistance recipient ineligible for welfare.

The Department has testified that there should be a public service employment program specifically for welfare recipients and that such a program should be administered entirely by the Department of Social Services and Housing. Through this means, public welfare recipients would be afforded public service employment without the need to undergo a network of interagency administrative processes. Administration of a public service employment program by the Department of Social Services and Housing will also mean generation of available Federal funds to meet part of the costs of the program. We have amended the bill accordingly.

The bill is also amended to give the Department of Social Services and Housing the responsibility to make any determination of ineligibility for public assistance based upon refusal without good cause to accept public service employment. The Department of Social Services and Housing should have the sole legal responsibility under both Federal and State laws to determine the eligibility of applicants and recipients of public assistance.

Responsibility for a public service employment program for unemployed and underemployed persons other than welfare recipients will remain with the Department of Labor and Industrial Relations.

Finally, we have amended the bill to authorize the Department of Labor and Industrial Relations to transfer to the Department of Social Services and Housing the balance of any appropriations heretofore enacted for, and any positions and employees heretofore engaged in administering a program of public service employment.

Your Committee on Public Institutions is in accord with the intent and purpose of **S. B. No. 1346-72, S. D. 1** as amended herein, and recommends that it pass Third Reading in the form attached hereto as **S. B. No. 1346-72, S. D. 1, H. D. 1**.

Signed by all members of the Committee except Representative Takamine.

SCRep. 542-72 Judiciary on **H. B. No. 2556-72**

The purpose of this bill is to provide for the access, safety, and use of facilities of any building of public accommodation by the physically handicapped person.

This bill provides that every public building and facility and every place of public accommodation shall comply with the specified standards to make buildings and facilities accessible to and usable by physically handicapped persons as those standards relate to access into and within a building facility, toilet facilities, and any additional facilities specified by a department of government.

Your Committee heard from a wide spectrum of our society on this matter including the representatives of the State Department of Social Services and Housing, the State Department of Accounting and General Services, the Building Department of the City and County of Honolulu, Abilities Unlimited, Inc., the Adult Recreation Center for the Handicapped, the Office of Human Resources of the City and County of Honolulu, the Chairman of the University of Hawaii Committee on Higher Education of the Handicapped, the Governor's Committee on Employment of the Handicapped, and many concerned others.

All testimony heard on this bill before your Committee was strongly in favor of the intent and purpose of this bill. However, because of the drafting vagueness and financial impact concerns, some testimony expressed need for amendments to this bill and, after due consideration, your Committee has amended this bill as follows:

1) The effective date has been amended to January 1, 1973 to provide the appropriate department of government sufficient time to promulgate rules and standards and to provide presently pending contracts and plans time for modification if necessary.

2) The proposed Section 3 has been amended to pertain to the construction of new projects or the major modification of existing public buildings, facilities, or places of public accommodation and not all modifications, however slight.

3) This bill is amended to provide that the department of accounting and general services is the government department to promulgate, enforce, and regulate the provisions of this bill and not the "comptroller".

4) Section 2 is amended to require the department of accounting and general services to promulgate rules and regulations as the standards to be complied with. Your Committee believes the delegation of State standards having such far-reaching effects to the American Standards Association, Incorporated, a private corporation, is unconstitutional.

5) Your Committee has amended Section 5 to provide that the state department of accounting and general services may delegate the responsibility for the administration and enforcement of the proposed chapter to the respective county government.

6) Finally, your Committee has amended Section 5 of this bill to make it explicitly clear that building compliance with the standards established by this chapter may be varied by an order affecting an individual or a department rule affecting large classes of buildings or facilities by the department of Accounting and general services if there is adequate notice and hearing for all concerned to express the effects of the standard or variance on them.

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

2556-72, H. D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as **H. B. No. 2556-72, H. D. 2**.

Signed by all members of the Committee.

SCRep. 543-72 Housing and Consumer Protection on **H. B. No. 2114-72**

The purpose of this bill is to amend section 275-8, Hawaii Revised Statutes, relating to unlawfully obtaining telecommunication service, by changing the sentencing provision thereunder.

Under existing law a person who unlawfully charges telecommunication service is subject to imprisonment of not more than one year or fine of not more than \$1,000, or both. The bill amends the existing provision by making such offenses where the unlawful charges exceed \$100 subject to a stiffer penalty. As amended the section provides, in addition to the fine, a sentence of not less than one year nor more than five years. Your Committee finds that with the direct dialing system now in use, the proposal is justified.

Your Committee on Housing and Consumer Protection is in accord with the intent and purpose of **H. B. No. 2114-72** and recommends its passage on Second Reading and that it be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 544-72 Finance on **H. B. No. 1638-72**

The purpose of this bill is to appropriate or authorize, as the case may be, funds for the financing of general public improvements for the fiscal year 1972-73.

The projects herein contained have been conceived to accommodate current capital improvement requirements and are intended, essentially, to complete or complement projects contained in Acts 68 and 197, Session Laws of Hawaii, 1971. They are formulated consistent with the comprehensive implementation of State programs, notwithstanding that your Committee has provided for the appropriation of a substantial portion of the funds to the counties for the purpose of allocating to them the resources essential to meet the functional responsibilities of local government.

Significant projects are included within general obligation bond funding for compliance with air and water quality control standards (particularly for construction of sewerage facilities throughout the State). Sizeable State matching appropriations are also provided for other State and county projects, including parks and recreational facilities, highway improvements and educational facilities. The programs hereby prescribed by the projects funded are projected to preserve, and enhance the level of public benefit hereby introduced into use.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 1638-72**, as amended herein, and recommends that it pass second reading in the form attached hereto as **H. B. No. 1638-72, H. D. 1**, and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 545-72 Judiciary on **H. B. No. 2257-72**

The purpose of this bill is to establish within the Department of Regulatory Agencies a glaziers and glassworkers licensing board.

The jobs of glaziers and glassworkers are not those of ordinary workers. They must possess technical knowledge and refined skills. Their work also affects safety and the quality of construction. Your Committee feels that there is a need to have glaziers and glassworkers licensed.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 2257-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 546-72 Lands on **H. C. R. No. 31**

The purpose of this concurrent resolution is to designate the Napali Coast on Kauai - from Haena to Poli Hale - as a state park. To clarify the intent of the measure and to keep it in accord with the established use of a state park, the word "wilderness" has been deleted wherever it appears.

Your Committee on Lands concurs with the intent and purpose of **H. C. R. No. 31**,