

APPENDIX
STANDING COMMITTEE REPORTS

SCRep. No. 1

Legislative Management informing the House that **House Resolution No. 5**, has been printed and distributed.

Signed by all members of the Committee.

SCRep. No. 2

Legislative Management informing the House that **House Bill Nos. 1 to 3**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. No. 3

Legislative Management informing the House that **House Bill Nos. 4 to 271**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. No. 4 Finance on H.B. No. 3

The purpose of this bill is to appropriate funds for defraying the pre-session, interim session and other expenses for the Regular Session of 1973, Seventh State Legislature, up to and including January 15, 1974, and to defray, by appropriating the unencumbered balances thereof, the expenses of any committees established by the Senate or House of Representatives, and the pre-session expenses of the Regular Session of 1974, Seventh State Legislature; for defraying the expenses of the office of the legislative auditor, including certain other legislatively directed services and studies which are therein and thereby performed during the fiscal year 1973-1974, including the expenses of the State ethics commission which it financially administers; for defraying the expenses of the legislative reference bureau during the fiscal year 1973-1974, including the expenses of the office of the revisor of statutes which it financially administers; and for defraying the expenses of the office of the ombudsman during the fiscal year 1973-1974.

Upon consideration of the bill, your Committee has affected certain amendments thereto and provided for the fol-

lowing appropriations therein: \$769,184 for the expenses of the Senate, and \$995,000 for the expenses of the House of Representatives; the sum of \$1,615,046 for the expenses of the office of the legislative auditor; the sum of \$533,584 for the office of the legislative reference bureau; and \$185,290 for the expenses of the office of the ombudsman. The sum appropriated for expenditure through the legislative auditor includes \$705,046 for defraying the actual expenses of that office; \$75,000 for the office of the State ethics commission; \$150,000 for the performance of special studies by the legislative auditor, which, by amendment to the bill, specifically includes continued improvement of capabilities for planning, programming and budgeting; and, by further amendment to the bill, \$685,000 for interim legislative studies, contractual services therefor, equipment for continued improvement of the efficiency of legislative operations and related matters, and for such other purposes as deemed necessary by joint action of the President of the Senate and the Speaker of the House of Representatives. The sum appropriated for expenditure through the legislative reference bureau includes \$379,966 for defraying the actual expenses of that office, and \$153,618 for the office of the revisor of statutes.

Pursuant to the mandate of Act 171, Session Laws of Hawaii 1972, establishing the office of the legislative reference bureau under the Legislature and placing therewithin, for administrative purposes, the office of the revisor of statutes, your Committee is initially hereby required to appropriate for these legislative support functions, heretofore separately funded through the General Appropriations Act, by the provisions of this bill.

Nominal cost adjustments have been requested over the previous fiscal period for which appropriations were made by the office of the legislative auditor, directly, including the State ethics commission, and the office of the revisor of statutes. Your Committee is satisfied that these increases, which in the aggregate amount to approximately \$26,500, are justified by and commensurate with the increased demand for the unique and vital services urged upon and performed by each of these legislatively funded services.

On the other hand, the legislative reference bureau and the office of the ombudsman have submitted requests representing an aggregate decrease in a sum approximating \$90,300 less than required for the preceding fiscal period.

Your Committee, therefore, is pleased to report that the appropriations recommended hereby for the maintenance of legislative support and related functions represents a decrease to the extent of nearly \$64,000, yet, not without impairment to the quality and level of services related to the legislative process provided for by this bill.

We have again reviewed the Report of the 1971 Commission on Legislative Salary, which met and prepared the same pursuant to the Hawaii State Constitution (Article III, Section 10). In summary, the Commission's recommended compensation plan for legislators provides for annual salary increases based upon number of years of service, and for a salary differential to the presiding officers of the Senate and House. These recommendations, although not of substantial sums, would, if enacted, constitute a contribution to increased legislative costs. (See, also, "The Sometime Governments, a Critical Study of the 50 American Legislatures", p. 202, item 7).

Consonant with the requirement for continued austerity, we have recommended appropriations only for the most fundamental of our needs without disregard for the needs of our constituents. Expenses for the Senate and House of Representatives have been fixed at a level equivalent to that of the last two legislative sessions. Your Committee is not unmindful that costs have continued since then to climb, but we are determined not to allow a proportionate diminution of such services as are responsive to the needs of the State.

Attainment of this goal mandates careful examination of our objectives and requires progressive planning and programming of the way in which those objectives are to be met. As other public programs require funding from the same limited resources, it becomes imperative that each must anticipate achievement of its objectives through a similarly rational and effective utilization of the State's limited level of appropriations.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 3**, as amended herein, and recommends that it pass second reading in the form attached hereto as **H. B. No. 3, H. D. 1**, and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. No. 5

Legislative Management informing the House that **House Bill Nos. 272 to 296, House Resolution Nos. 7 to 48, House Concurrent Resolution Nos. 1 to 14, and Standing Committee Report No. 4, Re: House Bill No. 3, House Draft No. 1**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. No. 6

Legislative Management informing the House that **House Bill Nos. 297 to 409, House Resolution Nos. 49 to 58 and House Concurrent Resolution Nos. 15 to 18**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. No. 7

Legislative Management informing the House that **House Bill Nos. 410 to 492, House Resolution Nos. 59 to 68, House Concurrent Resolution Nos. 19 to 24 and Special Committee Report No. 2, Re: House Resolution No. 275, House Draft No. 1**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. No. 8

Legislative Management informing the House that **House Bill Nos. 493 to 516, House Resolution Nos. 69 to 75, and House Concurrent Resolution Nos. 25 and 26**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. No. 9

Legislative Management informing the House that **House Bill Nos. 517 to 536, House Resolution Nos. 76 to 86 and House Concurrent Resolution Nos. 27 to 29**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. No. 10

Legislative Management informing the House that **House Bill Nos. 537 to 571, House Resolution Nos. 87 to 93, House Concurrent Resolution Nos. 30 to 32**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. No. 11

Legislative Management informing the House that **House Bill Nos. 572 to 601 and House Resolution Nos. 94 to 115**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. No. 12

Legislative Management informing the House that **House Bill Nos. 602 to 637, House Resolution Nos. 116 to 120, and House Concurrent Resolution Nos. 33 to 38**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. No. 13

Legislative Management informing the House that **House Bill Nos. 638 to 656, House Resolution Nos. 121 to 138 and Standing Committee Report No. 14**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. No. 14 Select Committee of Oahu Representatives on **H. R. No. 66**

The purpose of this Resolution is to request the City and County of Honolulu to provide for a low-density apartment zone in lower Makiki immediately makai of

Nehoa Street.

At the present time, that area of Makiki mauka of Nehoa Street (upper Makiki) is zoned single-family residential. In contrast, the area of Makiki makai of Nehoa Street (lower Makiki) is one of the most congested neighborhoods on Oahu and is suffering from continuing erosion of environmental values by ever-encroaching high-rise development.

Your Committee held a hearing on this Resolution on February 6, 1973, at which time members from the Central Honolulu Community Association and the Makiki Community Association testified in vigorous support of the Resolution.

Your Committee is in agreement that it is desirable to maintain upper Makiki as single-family residential area in the true sense of those words. Your Committee also agrees that the establishment of a low-density apartment zone in lower Makiki to act as a buffer zone preventing the same from becoming a solid wall or a patchwork arrangement of high-rise development is the most logical solution to attain the preservation of the residential quality of upper Makiki. Accordingly, your Select Committee of Oahu Representatives is in accord with the intent and purpose of this Resolution and recommends its adoption.

Signed by all members of the Committee.

SCRep. No. 15

Legislative Management informing the House that **House Bill Nos. 657 to 699, House Resolution Nos. 139 to 147, and House Concurrent Resolution Nos. 39 to 43**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. No. 16

Legislative Management informing the House that **House Bill Nos. 700 to 717, House Resolution Nos. 148 to 158 and House Concurrent Resolution Nos. 44 to 47**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. No. 17

Legislative Management informing the House that **House Bill Nos. 718 to 726**, **House Resolution Nos. 159 and 160**, and **House Concurrent Resolution No. 48**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. No. 18 Judiciary on **H. B. No. 193**

The purpose of this bill is to amend Section 471-9, Hawaii Revised Statutes, to update the language to provide for consistency with current methods for license renewals, to provide a 3-year limitation on lapsed licenses, and to delete subsection (e).

Your Committee held a hearing on this measure at which the Department of Regulatory Agencies appeared and urged passage of this measure, however, without the provision deleting the military service exemption. The board of Veterinary Examiner has agreed to let this provision remain as it appears in the law.

Your Committee concurs with the suggested change to this measure.

Your Committee has amended the bill by retaining subsection "(e) Military Service" exemption, and by designating a new subsection "(f) Cancellation".

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 193**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 193**, **H. D. 1**, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 19 Judiciary on **H. B. No. 34**

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 has been long overdue in Hawaii. Obsolete civil procedure provisions dating from legislative acts of 1869 are still found to exist in our statutes today. When the Hawaii Rules of Civil Procedure were adopted, revision became a critical need. While many states have permanent 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.

Though many bills relating to the statutory revision program were passed and enacted into law by the Sixth Legislature, 1972, this bill, along with other bills relating to the statutory revision program — namely, **House Bills 35, 36, 37, 38, 39, 40**, and others still remain to complete the statutory revision program. This bill, along with other bills relating to the statutory revision program, 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 on 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. 34** and concurs with the proposed amendments to the Hawaii Revised Statutes. Your Committee further finds that the amendments proposed in **H. B. No. 34** would, among other things: 1) safeguard the rights of the owner or claimant of land sought to be condemned, whether he be known or unknown, a resident or non-resident, by requiring the best possible method of notice of pendency of the action under the circumstances be used before the court can obtain jurisdiction to proceed and finally determine the case (Sec. 101-20); 2) require, in addition to the amount of estimated compensation or damages stated in the motion for issuance of order of possession, that no such order shall issue unless the defendant has been accorded the best notice practicable under the circumstance (Sec. 101-30); and 3) gives the defendant, as a matter of right, an interlocutory appeal from an adverse decision on the issue as to use (Sec. 101-34).

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 34** 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. 20 Judiciary on H. B. No. 35

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 has been long overdue in Hawaii. Obsolete civil procedure provisions dating from legislative acts of 1869 are still found to exist in our statutes today. When the Hawaii Rules of Civil Procedure were adopted, revision became a critical need. While many states have permanent 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.

Though many bills relating to the statutory revision program were passed and enacted into law by the Sixth Legislature, 1972, this bill, along with other bills relating to the statutory revision program — namely, **House Bills 34, 36, 37, 38, 39, 40**, and others still remain to complete the statutory revision program. This bill, along with other bills relating to the statutory revision program, 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 on 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 further finds that the amendments proposed in **H. B. No. 35** would, among other things: 1) simplify the method of service of process upon the director of taxation in any action wherein the state has or claims a tax lien upon real or personal property by providing that service upon the director shall be made as provided by rules of court (Sec. 231-29); 2) eliminate much of the inconsistencies that presently exists between the Hawaii Revised Statutes and the rules of court; 3) delete outmoded provisions or phrases and generally make improvements of a technical nature; and 4) transfer procedural matters to rules of court where advisable and appropriate.

Your Committee held a hearing on **H. B. No. 35** 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. 35** 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. 21 Judiciary on H. B. No. 36

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 has been long overdue in Hawaii. Obsolete civil procedure provisions dating from legislative acts of 1869 are still found to exist in our statutes today. When the Hawaii Rules of Civil Procedure were adopted, revision became a critical need. While many states have permanent 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.

Though many bills relating to the statutory revision program were passed and enacted into law by the Sixth Legislature, 1972, this bill, along with other bills relating to the statutory revision program — namely, **House Bills 34, 35, 37, 38, 39, 40**, and others still remain to complete the statutory revision program. This bill, along with other bills relating to the statutory revision program, 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. 36** 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. 36** 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. 22 Judiciary on H. B. No. 37

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 has been long overdue in Hawaii. Obsolete civil procedure provisions dating from legislative acts of 1869 are still found to exist in our statutes today. When the Hawaii Rules of Civil Procedure were adopted, revision became a critical need. While many states have permanent 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.

Though many bills relating to the statutory revision program were passed and enacted into law by the Sixth Legislature, 1972, this bill, along with other bills relating to the statutory revision program — namely, **House Bills 34, 35, 36, 38, 39, 40**, and others still remain to complete the

statutory revision program. This bill, along with other bills relating to the statutory revision program, 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 on 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. 37** and concurs with the proposed amendments to the Hawaii Revised Statutes. Your Committee further finds that the amendments proposed in **H. B. No. 37** makes it explicitly clear that, if any bond or undertaking is executed by the principal and by any corporation, foreign or domestic, organized for the purpose of becoming surety on such bonds and authorized under the laws of the State to do a surety company business, such corporation may be accepted as sole surety on the bond, if in the opinion of the officer or officer whose duty it is to approve the

bond, the rights of all parties in interest will be fully protected.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 37** 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. 23 Judiciary on H. B. No. 38

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 has been long overdue in Hawaii. Obsolete civil procedure provisions dating from legislative acts of 1869 are still found to exist in our statutes today. When the Hawaii Rules of Civil Procedure were adopted, revision became a critical need. While many states have permanent 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.

Though many bills relating to the statutory revision program were passed and enacted into law by the Sixth Legislature, 1972, this bill, along with other bills relating to the statutory revision program — namely, **House Bills 34, 35, 36, 37, 39, 40**, and others still remain to complete the statutory revision program. This bill, along with other bills relating to the statutory revision program, 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 on 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. 38** and concurs with the proposed amendments to the Hawaii Revised Statutes. Your Committee further finds that the amendments proposed in **H. B. No. 38** provides among other things: 1) that service of any notice or process issued against any county may be made upon the corporation counsel or county attorney or any of his deputies, or as provided by the county charter, such service shall be binding upon such county (Sec. 46-71); 2) require that service of process must be made upon any board member of the board of water supply and the county in which such board of water supply is created (Sec. 54-31).

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 38** 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. 24 Judiciary on **H. B. No. 187**

The purpose of this bill is to lower the age of majority conforming to Act 2, L. 1972, and to effect certain clarifying amendments pertaining to extension of group insurance coverage to spouses and dependents of insured individuals.

This measure is essentially a “house-keeping” measure. The age of majority amendments consist of repealing Section 431-438 which is no longer necessary and of appropriately amending Sections 431-463(a) (3), 431-594(b), and 434-16(a) to conform to Act 2, L. 1972.

This bill further amends Section 431-594 to clarify the specific groups of insureds where coverage may appropriately be extended to the insureds’ spouses and dependents. As it presently exists debtor groups and credit union groups are included, whereas it is not industry practice to extend coverage to other than the debtor or credit union member when writing group life insurance on groups in these two categories. Further, it expands the definition of “dependent” to permit continuation of coverage through age 22, so long as the child is a bona fide student and dependent upon the insured for support.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 187**, 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. 25 Judiciary on **H. B. No. 194**

The purpose of this bill is to eliminate the present requirement in the law of one year of residency necessary prior to issuance of license to be an elevator mechanic.

Your Committee finds that the residency requirement is unnecessary to insure competent craftsman and that the present law is constitutionally defective on that basis.

Your Committee on Judiciary is in ac-

cord with the intent and purpose of **H. B. No. 194**, 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. 26 Judiciary on **H. B. No. 200**

The purpose of this bill is to eliminate the present requirement in the law of one year of residency necessary prior to issuance of license to operate a collection agency.

Your Committee finds that the extended residency requirement has been determined by the courts to violate the Equal Protection Clause of the 14th Amendment of the United States Constitution.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 200**, 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. 27 Water, Land Use and Development on **H. B. No. 325**

The purpose of this bill is to allow public land leases for tree-crop orchards, except papaya and banana, to be let for a maximum term of forty-five years and to ensure compensation for the residual value of the trees as well as the unharvested crop if the land is withdrawn for public purposes.

The rationale is that tree-crops, except papaya and banana, require considerable investment in the trees themselves and the trees are not productive for the first several years. Once mature, however, such trees remain productive for many years and form a valuable, tangible, perennial asset of the lessee.

The existing law allows a public land lease for a maximum term of forty-five years only for the growing of macadamia nuts.

This bill would allow the privilege of the forty-five year lease to other tree-crops by substituting the words “macadamia nut orchard” in the existing statute with

the words "tree-crop orchard". It further defines tree-crop as exclusive of papaya and banana. Papaya and banana are excluded because they are shorter term trees not requiring numerous years of growth before producing fruit.

The existing statute allows the Board of the Department of Land and Natural Resources to withdraw leased land for public purposes under certain conditions and provides for payment to the lessee of the value of unharvested crops when taken. This bill would extend that compensation to provide for payment for the residual value of the trees themselves if the land is withdrawn by the government. Officials of the Department of Land and Natural Resources told your Committee that it is only reasonable that when such assets are taken, they be paid for just as constructed improvements would be paid for. The residual value of the trees taken would be determined by appraisers under contract with the Board of Land and Natural Resources.

Spokesmen for the Hawaiian Sugar Planters' Association, the State Department of Agriculture, and the State Department of Land and Natural Resources all expressed support for this bill to your Committee. Each indicated a view that the measure could serve as incentive to the further development of tree-crop orchards in the State.

Your Committee on Water, Land Use and Development is in accord with the intent and purpose of **H. B. No. 325** 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. 28

Legislative Management informing the House that **House Bill Nos. 727 to 742, House Resolution Nos. 161 to 171, House Concurrent Resolution Nos. 49 to 51, and Standing Committee Report Nos. 18 to 27**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. No. 29

Legislative Management informing the House that **House Bill Nos. 743 to 805, House Resolution Nos. 172 to 176 and Standing Committee Report No. 30, Re: House Bill No. 323, House Draft No. 1**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. No. 30 Water, Land Use and Development on **H. B. No. 323**

The purpose of this bill is to permit the Board of the Department of Land and Natural Resources to cancel or accept surrender of leases of public lands without the requirement that there be a bona fide applicant interested in re-leasing such land. This cancellation or surrender could occur only when the Board determines it is in the public interest, subject to the consent of the lessee, his heirs and assigns, and each holder of record having a security interest.

Under the present statute the State may not cancel a lease or accept its surrender unless there is such a bona fide applicant for the leasehold. As explained by Mr. Sunao Kido, Chairman of the Board of Land and Natural Resources, this is unfair to both the State and to the lessee. The lessee, who finds he cannot make a living on his leasehold, cannot surrender his lease without going through default proceedings. The lessee is reluctant to endanger his credit or his standing with the State by defaulting on the terms of his lease. This procedure also is unfair to the State because at times the land could be re-leased for a higher use to the obvious benefit of the State.

The demand for land being what it is, there is little likelihood that the Board would encounter any difficulty in re-leasing a parcel so cancelled or surrendered. Eliminating the requirement that there be a bona fide new applicant does not make it mandatory for the Land Board to accept the request for cancellation or surrender of the lease.

Your Committee has amended the bill by expanding the title to express and embrace the subject covered in the body of the bill. The title as amended now reads "A BILL FOR AN ACT RELATING TO

CANCELLATION AND SURRENDER OF LEASES OF PUBLIC LANDS”.

Your Committee on Water, Land Use and Development is in accord with the intent and purpose of **H. B. No. 323**, as amended herein, and recommends that 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.

SCRep. No. 31

Legislative Management informing the House that **House Bill Nos. 806 to 816, House Resolution Nos. 177 to 185 and House Concurrent Resolution No. 52**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. No. 32

Legislative Management informing the House that **House Bill Nos. 821 to 850, House Resolution Nos. 186 to 191, and Standing Committee Report Nos. 33 to 39**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. No. 33 Water, Land Use and Development on H. B. No. 470

The purpose of this bill is to clarify the intent of the law regarding the disposition of public lands for residential use.

Your Committee finds that houselots on public land are ready for disposition in several areas of the State but that no houselots have been released since September, 1972, because of differing interpretations of Section 171-48(6) dealing with eligibility requirements. Officials of the Department of Land and Natural Resources have advised your Committee that no dispositions of residential lots will be made until there is legislative clarification of Sect. 171-48(6) in view of the difficulty encountered last fall in the sale of 72 houselots at Wahikuli, Maui.

On September 30, 1972, Mayor Cravalho and one Dolores Montilliano as plaintiffs

filed a complaint in the Second Circuit Court at Wailuku on the ground that the language contained in the notice of sale prohibiting any person who owned or leased land for a term exceeding 20 years in the State, would not be eligible to bid was not in compliance with Subsection 171-48(6), H.R.S.; that the prohibition should, in conformance with said subsection, prohibit anyone who owned or leased land for a term exceeding 20 years within or without the State from bidding. A temporary restraining order was issued by the Court enjoining the Department from using the affidavits which stated that the purchaser did not own any land or lease any land for a term exceeding 20 years suitable for residential use in the State.

The request for clarification of the phrase "...of land suitable for residential use" as contained in Subsection 171-48(6) was sent to the Attorney General's Office when a resident of Hilo who did not own or lease any land suitable for residential use in Hawaii, but who owned land in California suitable for residential use, asked if he would be qualified to bid for a residential lot at an auction sale of public land which was then being advertised.

In order to determine the meaning of the foregoing phrase the Attorney General's office resorted to the Committee Reports accompanying the bill. In view of the language contained in **Senate and House Conference Committee Reports 20-70 and 19**, respectively, the Attorney General's office arrived at the conclusion that the foregoing phrase referred only to land within the State.

Your Committee is of the view that subparagraph (6) should be intended to discourage speculation by disallowing as applicants those persons who own or hold as lessee, the prescribed residential leasehold of any land suitable for residential use within or without the State.

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

1. Subparagraph (6) of the bill relating to eligibility requirements be amended to provide that a person, or whose spouse, owns or holds a residential lease for a term exceeding twenty years, of land suitable for residential use anywhere within

or without the State be disqualified from obtaining a residential lot of public land in Hawaii.

2. Subparagraph (7) of the bill relating to physically residing in the State for at least eleven months of the year shall be deleted.

Your Committee on Water, Land Use and Development is in accord with the intent and purpose of **H. B. No. 470**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 470, H. D. 1** and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. No. 34 Water, Land Use and Development on **H. B. No. 465**

The purpose of this bill is to appropriate \$17,220 out of the general revenues of the State of Hawaii to be expended by the Department of Land and Natural Resources for the aerial spotting of skipjack tuna schools in Hawaiian waters, covering two seasons, to help determine the feasibility of establishing a purse seine fishery in the Islands.

Your Committee finds that the continued well-being of the local aku fishery depends on the supply of bait, improvements in operating efficiency of the fishing fleet, and investigations of new and improved fishing methods, primarily purse seining.

The proposed aerial spotting program will help evaluate the number, size, distribution and behavioral characteristics of aku schools and will provide information on the utility of using aircraft for spotting such schools in Island waters. The aerial spotting method will enable rapid, statewide coverage. Further, the existing line and pole fishery will be able to derive immediate benefits by being directed to aku schools which can be seen from the air but which may not be detected by vessels on the ocean surface. Should aerial spotting prove to be effective it may markedly reduce the time spent by boats in scouting for schools, thus increasing their efficiency and resulting in greater productivity.

Your Committee was told a 70-day purse

seine fishing trial in summer, 1970, did show that aku can be caught with a purse seine if used in conjunction with live-bait chumming to hold the aku schools at the surface long enough for the seine to be set and pursed.

An aerial spotting program was proposed for the 1971-73 biennium and funds were appropriated through Act 210 by the 1971 Legislature. The money, however was not allotted to the Department of Land and Natural Resources and thus the program was not implemented.

Mr. Sunao Kido, chairman of the Board of Land and Natural Resources, told your Committee that despite the State's financial straits the aerial spotting program is worthy of consideration because of the potentially vast benefits which could accrue to Hawaii should a purse seine fishery be established here.

Your Committee on Water, Land Use and Development is in accord with the intent and purpose of **H. B. No. 465** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 35 Water, Land Use and Development on **H. B. No. 104**

The purpose of this bill is to guarantee the right of public access to the shorelines and the sea and transit along the shorelines, and to provide funding for the acquisition of land for public rights-of-way and public transit corridors.

Your Committee finds that public access to the shorelines is restricted on all Islands of the State. As explained by Mr. Frank B. Skrivanek, State Planning Coordinator, urban development, especially tourism development, is having a limiting effect on accessibility to the shorelines. Many beaches in the Islands have been appropriated by hotels, and although all are public property up to a legally defined high-water mark, public access through hotel grounds often is denied. In many cases, this effectively bars the general public from the beaches and results in Hawaii's people being deprived of what visitors may use.

Safe public transit along the shorelines also is restricted. Often this restriction results from a combination of the topography itself — cliffs and the like which prohibit safe transit along the shoreline — and private property extending to the cliffs with no provisions for a transit corridor for the public.

Your Committee thinks the bill should be amended to assure compensation to private property owners when land is taken for the public transit corridors.

Your Committee recognizes that the counties have tried to assure access to the shorelines but thinks a greater joint effort of both State and county is required.

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

1. Sections 1, 2, and 5 of the bill relating to public rights-of-way be amended to include public transit corridors.

2. Section 2 of the bill relating to the appropriation from the general revenues of the State of Hawaii be amended to add the provision that unexpended funds under this Act shall not lapse; and the amount of \$1,000,000 be inserted in the blank space for the appropriation amount.

3. Section 5 of the bill relating to the public transit area be amended to provide that in areas where safe public transit does not exist along the shorelines, the counties by condemnation shall establish along the makai boundaries of the property lines public transit corridors which shall be not less than six feet wide.

4. Section 6 of the bill relating to the effective date of the Act shall be renumbered to become Section 9.

5. A new section, to be numbered Section 6, Procedure, be added to provide that the provisions of this Act shall be executed under provisions of Chapter 101, Hawaii Revised Statutes.

6. Another new section, to be numbered Section 7, State and county co-sponsorship of programs, be added to provide that the Department of Land and Natural Resources shall enter into agreements with the counties for the co-sponsorship of the projects specified in this Act, providing

that the county shall match the funds provided by the State, and that the development and maintenance of the projects shall be the responsibility of the county.

7. Another new section, to be numbered Section 8, Expending agency, be added to provide that the sum appropriated in this measure shall be expended by the Department of Land and Natural Resources.

Your Committee on Water, Land Use and Development is in accord with the intent and purpose of **H. B. No. 104**, as amended herein and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 104, H. D. 1** and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 36 Finance on H. B. No. 121

The principal purpose of this bill is to permit contracting government officials to accept bid deposits in the form of cashier's checks, in addition to present forms of security, and allow all forms to be drawn on any bank insured by the Federal Deposit Insurance Corporation, rather than only on banks doing business within the State; however, limited to bid deposits not exceeding \$20,000. In excess thereof, the bill requires deposits in the form of legal tender or surety bond.

Sec. 103-28, HRS, presently allows for only certificates of deposit or certified checks furnished as bid deposits, which must be drawn on "a bank doing business within the State". Even though this requirement is stated very clearly in each bid solicitation, according to testimony before your Committee by the Department of Accounting and General Services there have been occasions on which it was necessary to reject a low bid solely because it was accompanied by a check drawn on a mainland bank. Additionally, there have been instances where a mainland bidder transferred funds to a local bank with the request that they issue a cashier's check in support of the bid, but the delay introduced by this procedure caused the bid to arrive too late for consideration.

The present requirement was formulated long before establishment of the Federal Deposit Insurance Corporation, and was

apparently intended to assure the integrity of bidders' checks. Federal insurance has now eliminated the need for such precautions on checks for \$20,000 or less. Furthermore, although your Committee is informed that bankers consider a cashier's check to be just as sound as a certified check, failure to mention the former in Sec. 103-28 has caused some confusion. To obviate future misunderstanding, the bill adds cashier's checks to the list of acceptable instruments.

In cases where the bid requires a deposit in excess of \$20,000, the bill imposes an added stipulation that the same "shall only be in the form of legal tender or a surety bond conforming to . . . section 103-31." As a corollary, therefore, Sec. 103-31, HRS, which provides for the substitution of surety bonds in lieu of other forms of security, is also amended incidentally to include the phrase "cashier's check" as such a form for which there may be such substitution.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 121** 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. 37 Finance on H. B. No. 122

The purpose of this bill is to amend several provisions of Chapter 106, HRS, relating to inventory of State and county property, primarily by extending the time in which departments and agencies are required to annually report and to establish a more uniform method of valuing property.

Both Secs. 106-1 and -2, which apply to the responsibilities of State and county officers, respectively, are amended to provide that the date for filing with the State comptroller shall be extended from the present August 15 deadline to September 15 of each year. According to testimony received from the Department of Accounting and General Services, experience has shown that the six weeks following close of each fiscal year presently allowed for verification of inventory, accounting for discrepancies and submitting the annual report is not enough. Difficulties are particularly pronounced in the schools, which are either shorthanded or actually

closed during the July 1–August 15 inventory period; but all departments have difficulty meeting the August 15 requirement. The proposed change to September 15 will ease the pressure and thus contribute to greater accuracy of the reports.

Furthermore, it has been suggested that inventory managers have been confused by fact that Chapter 106 uses the term "full cash value" in Sec. 106-1 and the term "original cost" in Sec. 106-2, the distinction being apparently related to whether the property was originally purchased or contributed. By the bill these terms are both deleted in favor of "carrying value" which relates to the manner of acquisition as defined in the Uniform Accounting Manual, and which includes both "full cash value" and "original cost". This proposed change in terminology to conform to the Manual is urged by the Comptroller to eliminate the existing confusion and thus contribute to greater accuracy.

With regard to the aforesaid statutory sections, the bill incidentally shifts reporting responsibility in two respects: (1) Under Sec. 106-1 the administrative director of courts replaces the clerk of the supreme court and the chief clerks of the circuit courts at the State level, and (2) at the county level, the chairman of the board of supervisors is replaced by the mayors of each county.

In this regard, Sec. 106-4, which authorizes the comptroller or director of finance to withhold the salary of the person charged with failure to file the required inventory within the time prescribed, is proposed to be amended. As presently worded, the withholding is mandatory; whereas the recommended change allows for discretion where it is found that the delay was for "good cause".

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 122** 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. 38 Finance on H. B. No. 340

The purpose of this bill is to require that due notice be given to the State comptroller for the assignment of State

payments and to provide for forms of assignment acceptable to the comptroller.

Amended hereby in Sec. 40-58, HRS, which provides the comptroller with authority to pay to assignees the amounts designated by assignors to whom the State is indebted. This authority covers payments made under Section 40-53 (for payrolls), Section 40-56 (for materials, supplies, and other incidentals), and Section 40-57 (for contracts).

Under present practice, assignment is accomplished by such person indicating the same over his signature "on the back of his bill or receipt." This measure deletes that phrase and provides instead that the assignment be made "in a form satisfactory to the comptroller", which conforms the statute to currently accepted practice.

Under both the present statute and the bill, although the language of the former is technically amended, the authority to pay to assignees is not mandatory, but is discretionary, and standards are needed to indicate the conditions under which the assignment will be accepted. The important condition that would be added by this bill is that due notice of the assignment be given to the comptroller, without which the State may be required to pay on an assignment accepted by other officers even though payment was already made to the person to whom the State was directly indebted.

Notwithstanding the written testimony hereupon tendered by the Department of Accounting and General Services, it became apparent to your Committee during the presentation thereof that, in fact, the very purpose of this measure is directed toward the "inadvertence" of the making of "double payments". This bill, it was ascertained, is the product of a recommendation from the Attorney General following a multiple remuneration of some \$700 to both the debtor and the assignor, allegedly because the comptroller was not given the "proper notice" which the provisions of this bill articulate.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 340** and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Commit-

tee.

SCRep. No. 39 Finance on H. B. No. 126

The purpose of this bill is to retain at eight per cent a year the interest ceiling on general obligation bonds issued by the State, notwithstanding the statutory limitation of six per cent. As introduced, the bill would fix the adjustment for a term of 24 months; however, your Committee, while in accord with the purpose proposed, for the reasons hereinafter stated, recommends hereby a reduction thereof to a term of 12 months.

Sec. 39-5, Hawaii Revised Statutes, as amended, which relates to the issuance of general obligation bonds, provides in relevant part that the same "shall bear interest, payable annually or semi-annually, at a rate or **rates not exceeding six per centum** per annum . . ." (Emphasis added). This bill provides that notwithstanding that interest rate limitation, bonds issued after March 31, 1973 but prior to April 1, 1975 "may bear interest . . . at a rate or rates not exceeding eight per cent a year." (Emphasis added).

Last year, by Act 8, Session Laws of Hawaii 1972, the legislature similarly authorized raising the interest ceiling from 6% to 8% which constituted a sequel to Act 3, Session Laws of Hawaii 1971, and Act 2, Session Laws of Hawaii 1970, each being limited to a 12-month period, and specifically as to bonds issued after March 31, 1973, with regard to our most recent enactment. Therefore, unless renewed, the interest ceiling will revert to 6% on April 1, 1973.

The justification offered for continuance thereof at 8% is essentially the same as reported by your Committee last year on **H. B. No. 1913-72** which became Act 8. According to testimony by the Director of the Department of Budget and Finance, who urges favorable consideration hereof, enactment of this bill is needed "to guard against any extreme fluctuation in the bond market and in order to ensure that the State of Hawaii will be in a position to sell its bonds and to continue its capital improvements program . . ."

This conclusion is based upon certain historical observations of the Director thereto related, reiteration of the substance of which your Committee believes

presents the problem precisely:

“During the fiscal year 1971-72, allotments approved for general obligation bonds totaled \$118 million, while expenditure and contractual encumbrances totaled over \$134 million. Expenditure for capital improvement projects is expected to remain high in view of the amount of bonds authorized but unissued, and bonds must be sold to provide the necessary financing.

“Although The Bond Buyer Index has not exceeded 6% since August of 1971, it must be noted that in the State's General Obligation Bond issue sold on July 18, 1972, a 6% rate was included in the winning bid. This occurred and can occur in future sales because bidders are not limited as to the number of rates which may be named. The multiple rate arrangement is designed to make Hawaii bonds more attractive to the purchasers.

“On February 1, 1973, The Bond Buyer Twenty Bond Index stood at 5.16%. Economists have predicted [however] that the uncertainties of the national administration's fiscal policies and peace in Viet Nam could affect the availability of money and may result in a rise in interest rates during calendar year 1973.”

Therein your Committee can concur, but we cannot completely that: “The upward adjustment for a 24-month period, rather than a 12-month period, is advisable since the bond selling program is related to the biennial operating and capital improvements budgets.” True as this statement may be, the precept presented ignores entirely that notwithstanding biennial budgeting, this legislature will again convene prior to expiration of a 12-month extension. If, indeed, the adjustment is intended to accommodate circumstances as they may occur, then we recommend refusal of relinquishment of our right to review once more revenue and related matters hereto when next we meet.

Therefore, your Committee has amended the bill by limiting the period of its application to April 1, 1974, vice April 1, 1975.

Your Committee on Finance is in accord with the intent and purpose of **H. B.**

No. 126, as amended herein, and recommends that it pass second reading in the form attached hereto as **H. B. No. 126, H. D. 1**, and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. No. 40

Legislative Management informing the House that **House Bill Nos. 851 to 894, House Resolution Nos. 192 to 204, House Concurrent Resolution Nos. 53 to 56, and Standing Committee Report Nos. 41 and 42**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. No. 41 Consumer Protection on **H. B. No. 135**

The purpose of this bill is to prohibit the holding, introducing or selling of any consumer commodity which is misrepresented or misbranded.

It was vividly demonstrated to your Committee that there are indeed many misbranded articles for sale at the market place. It was also shown that complaints from consumers who felt deceived after purchasing such goods are on the increase. The complaints are more frequently lodged by tourists who believed they have purchased authentic Hawaiian goods, and your Committee believes that unless the deceptive practice is curtailed, the problem may worsen and further hurt the tourist industry and local consumers.

To accomplish the purpose, the bill amends chapter 486, Hawaii Revised Statutes, relating to weights and measures and uniform packaging and labeling, by adding a new section thereto prohibiting the sale of any consumer commodity which is misbranded as defined. The bill also permits the State's director of weights and measure to make additional prohibitions and restrictions. Upon consideration of the matter, your Committee has amended the bill by deleting the provision whereby the director is empowered by rules and regulations to promulgate additional substantive prohibitions. The bill, however, still permits the director to promulgate non-substantive rules and regulations. Your Committee believes that the bill as amended will adequately accomplish the purpose of the original bill.

Your Committee on Consumer Protection is in accord with the intent and purpose of **H. B. No. 135**, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as **H. B. No. 135, H. D. 1**.

Signed by all members of the Committee.

SCRep. No. 42 Consumer Protection on **H. B. No. 521**

The purpose of this bill is to regulate purchases made through the mail.

It was brought to your Committee's attention that consumers in Hawaii are subject to many abuses by certain mail order firms. The most common complaint involves the merchant sending merchandise which is not ordered and contrary to the order placed by the consumer. Your Committee believes that such practices should be abated and to correct the situation, the bill provides that any unordered merchandise sent to a consumer will be deemed an unconditional gift. It also provides that the seller will be subject to civil and other penalties.

Your Committee on Consumer Protection is in accord with the intent and purpose of **H. B. No. 521**, and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. No. 43

Legislative Management informing the House that **House Bill Nos. 895 to 943, House Resolution Nos. 205 to 217, and House Concurrent Resolution Nos. 57 and 58**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. No. 44

Legislative Management informing the House that **House Bill Nos. 944 to 989, House Resolution Nos. 218 to 222, and House Concurrent Resolution Nos. 59 to 61**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. No. 45

Legislative Management informing the House that **House Bill Nos. 990 to 1026, House Resolution Nos. 223 to 233, House Concurrent Resolution Nos. 62 and 63, and Standing Committee Report Nos. 46, and 47**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. No. 46 Housing on **H. R. No. 53**

The purpose of this resolution is to request the Hawaii Housing Authority, in conjunction with the Department of Social Services and Housing, Planning and Economic Development, and Budget and Finance, to submit a plan detailing the State's role in housing through fiscal year 1978 to the Legislature no later than the fortieth day of the 1973 Regular Session.

In the hearing and discussions held by your Committee on this matter, it was made clear that the State has plans which guide its efforts in the housing field, but these plans have not been transmitted to the Legislature yet in a format and to a level of detail which would help the Legislature set needed policy and make sensible decisions on the support to be provided State housing programs.

The hearing testimony and subsequent discussions and considerations led to a conclusion by your Committee that the resolution should be amended to specify more clearly the concerns and requirements of your Committee and to spell out in plain English what it is your Committee desires in the way of substantive content in the plan.

Your Committee has deleted the fourth "WHEREAS" clause of the **H. R. No. 53** and the original "BE IT RESOLVED" and "BE IT FURTHER RESOLVED" clauses and replaced them with the following clauses which reflect better the intent and purpose of the resolution and are self-explanatory:

"WHEREAS, the total production of new housing units by both the public and private sectors is not sufficient to provide a supply of units enough in balance with demands for housing to keep inflation of housing prices within reasonable limits and to guarantee the availability of units

at prices within the means of low and moderate income persons; and

WHEREAS, there is some evidence that the lowest price at which housing units can be offered for sale is not gradually increasing, but is leaping upwards from the mid-\$20,000 range to the mid-or high-\$30,000 range; and

WHEREAS, housing units priced in the mid-or high-\$30,000 range may be too costly for many or most of the low and moderate income persons; and

WHEREAS, housing priced under \$40,000 is becoming increasingly scarce and making up an ever smaller proportion of the total market; and

WHEREAS, many factors operate against the use of new construction materials and techniques which might help hold housing costs down; and

WHEREAS, the housing situation in Hawaii has worsened to a point where it appears that the public sector must act vigorously and effectively to improve the situation; and

WHEREAS, the need for the public sector to take an active role in housing has been recognized for several years as evidenced by the enactment of Act 105, Session Laws Hawaii 1970, and related legislation; and

WHEREAS, the most effective complementary relationship between the public and private sectors in striving jointly to meet the housing needs of Hawaii's people requires careful, thoughtful, and thorough planning; and

WHEREAS, the State of Hawaii has revised its budget laws to provide for a more sophisticated process along the lines of a planning, programming budgeting system (PPBS); and

WHEREAS, the State is in the midst of implementing a PPBS approach to budgeting of State resources; and

WHEREAS, central to the concept of PPBS are (1) a clearly defined program structure with each program having objectives set forth in terms that permit the laying out of work activities which are most likely to contribute to progress

toward attainment of goals, (2) spelled out standards for evaluating quantitative and qualitative progress toward attainment of goals, and (3) means for modifying programs to improve the likelihood they will achieve goals; and

WHEREAS, there is a clear need for a sensibly articulated plan for State housing programs; now, therefore,

BE IT RESOLVED by the House of Representatives of the Seventh Legislature of the State of Hawaii, Regular Session of 1973, that the Hawaii Housing Authority, in conjunction with the Departments of Social Services and Housing, Planning and Economic Development and Budget and Finance, submit a plan for the State of Hawaii's role in housing from the present through fiscal year 1978 covering State housing programs designated as SOC221, SOC222, SOC223, SOC224, SOC232, SOC241, SOC806, and BUF806 as well as all other activities the State is considering related to housing; and

BE IT FURTHER RESOLVED that the plan submitted cover, but not be limited to, the following matters:

1. Estimates of the numbers of new housing units both for rental and owner-occupied needed in each of the fiscal years concerned, broken down by (a) number needed to house Hawaii residents entering the housing market for the first time; (b) number of units needed to house immigrants to the State; (c) number of units needed to permit residents to change their housing situation as, for example, by shifting from rental to owner-occupied units; (d) number of units needed to replace dilapidated or substandard housing units; (e) number of units needed to balance the supply-demand factor so that a shortage of units doesn't contribute to inflation; and (f) number of units needed by various income groupings based on gross annual income of families or persons.

2. In relation to 1. above, estimates of the amount of units by each of the foregoing categories to be supplied by the private sector and a clear and detailed justification of the bases for such estimates.

3. A narrative explanation of factors which might prevent the private sector from producing the planned number of

units.

4. Assuming the private sector will not meet all the housing needs of Hawaii through fiscal year 1978, specify the exact magnitude of the tasks confronting the public sector in terms of number and kind of units to be built in various price ranges and geographic locations.

5. Outline the means the State will employ to carry out the tasks identified in 4. above to include, but not be limited to, (a) plans for acquiring land for new housing developments using public assistance, (b) the number, structural type, location, cost per unit, sales or occupancy price, terms of sale or acquisition for each proposed public aided housing unit, (c) densities of each future State aided housing development, (d) proposed socio-economic mix in each State aided housing development, and (e) the estimated dates each State housing project will begin and the dates they will be completed and ready for occupancy.

6. The detailed plans for financing each State aided housing project showing the source of all funds, conditions attached to funds, share of State funds as a total of all project funds, and the time period and ways in which the State will recover its investment, if at all.

In addition to the above items, the submitted plan shall include recommendations for needed Legislative action in support of the public sector's involvement in housing through fiscal year 1978; and

BE IT FURTHER RESOLVED that the plan be submitted to the Legislature of the State of Hawaii no later than the fortieth day of the 1973 Regular Session; and

BE IT FURTHER RESOLVED that certified copies of this Resolution be transmitted to the Executive Director of the Hawaii Housing Authority, and the Directors of the Departments of Social Services and Housing, Planning and Economic Development, and Budget and Finance."

The resolution in its original form requested the plan be submitted no later than the thirtieth day of the 1973 Regular Session and your Committee has revised this to read the "fortieth" day of the 1973 Regular Session.

Your Committee on Housing is in accord with the intent and purpose of **H. R. No. 53**, as amended herein, and recommends its referral to the Committee on Finance, in the form attached hereto as **H. R. 53, H. D. 1**.

Signed by all members of the Committee.

SCRep. No. 47 (Majority) Housing on H. R. No. 12

The purpose of this resolution is to express the concern of the House to President Nixon's halt (freeze) on approving new commitments of federal subsidized housing and community development programs, to ask the President to reconsider his decision (freeze), and to request the Congress of the United States to take appropriate action to continue and expand federal subsidized housing programs—particularly for low and moderate income persons—and community development programs.

In the hearing held by your Committee on this matter, testimony was presented indicating the State is already suffering adverse effects from the freeze since some developers of housing units who were counting on federal assistance, as, for example, through FHA 235 or 236, are no longer counting on such assistance. As a result they anticipate the costs of their finished products may be as much as twenty-five or thirty percent higher than if federal aid were still forthcoming. Some developers are planning to delay starts on new housing units until the federal situation is further clarified. These effects add to the shortage of housing units for low and moderate income persons and bode ill for the future. The cumulative effects of years and years of no federal housing and community development programs may be particularly devastating in Hawaii which does not have the large reserves of land for homes and other factors which make for a competitive and reasonably priced private housing market in most, if not all, mainland states.

A housing market badly skewed and increasingly incapable of responding to any demands but those of the relatively affluent members of the community may mean construction of increasingly fewer housing units, depressing the construction and related aspects of the local economy, and having a negative rippling effect on the

total economy.

Most certainly, it appears that a market geared to higher income persons will widen the gap between the housing haves and the housing have-nots or housing have-too-littles. A widening gap of this kind may contribute to a rising rate of a variety of forms of "anti-social" or "socially-disruptive" behaviors.

Other testimony submitted to the Committee suggested that a freeze on federal housing and community development programs may be justified because of inadequacies or failures of present federal efforts. In part, the Committee is forced to agree that present federal efforts are not sufficient to make major strides toward easing the housing situation. There certainly are problems with many federal programs. Granted the insufficiencies and problems it remains glaringly clear that Hawaii is unlikely to improve the housing situation for people who cannot compete on the present highly inflated housing market without federal help of some kind. In a very real way, we are in the predicament of saying that any kind of federal help is better than no help at all. This does not stop us from pursuing efforts to modify, improve, and expand federal activities in the housing field.

The hearing testimony and subsequent considerations have led your Committee to suggest the following amendments. The title has been amended to express the strengthened areas of concern of your Committee to read "EXPRESSING THE CONCERN OF THE HAWAII STATE HOUSE OF REPRESENTATIVES TO PRESIDENT NIXON'S HALT ON APPROVING NEW COMMITMENTS OF FEDERAL SUBSIDIZED HOUSING AND COMMUNITY DEVELOPMENT PROGRAMS, ASKING THE PRESIDENT TO RECONSIDER HIS DECISION, AND REQUESTING CONGRESS TO TAKE APPROPRIATE ACTION TO CONTINUE AND EXPAND FEDERAL SUBSIDIZED HOUSING PROGRAMS, PARTICULARLY FOR LOW AND MODERATE INCOME PERSONS, AND COMMUNITY DEVELOPMENT PROGRAMS."

The following "WHEREAS" and "BE IT FURTHER RESOLVED" clauses, which are self-explanatory, have been added:

WHEREAS, there is a continuing inflationary spiral in Hawaii's housing market making it close to impossible for low and moderate income persons to find homes to buy or rent within their financial means; and

WHEREAS, easing the present housing situation in Hawaii requires heavy investments of public funds to complement the investments in housing by the private sector; and

WHEREAS, neither the State government nor local governments in Hawaii command the necessary funds from their own resources to substantially ease the situation; and

WHEREAS, a flow of federal funds for housing and community development programs to the State of Hawaii is essential if the State is to improve the housing situation, particularly as it affects low and moderate income persons; and

WHEREAS, the President's freeze on new commitments has already had adverse effects including announcements by developers of new projects that the prices of their units would have to be increased as much as twenty-five to thirty percent and decisions by other developers to terminate or delay badly needed new housing projects; and

WHEREAS, these adverse consequences of the President's freeze can be expected to aggravate the already serious housing problem in Hawaii; and

BE IT FURTHER RESOLVED that the House respectfully requests the President of the United States to reconsider his decision to halt approval of new commitments for housing and community development programs; and

BE IT FURTHER RESOLVED that the House respectfully requests the Congress of the United States to review, modify, improve, strengthen, and expand federal efforts and funding for housing and community development programs; and

The final clause of the Resolution has been amended to provide that certified copies of the Resolution be sent to the Speaker of the U.S. House of Representatives and the President of the U.S. Senate in addition to the President and Ha-

waii's congressional delegation.

Your Committee on Housing is in accord with the intent and purpose of **H. R. No. 12** as amended herein, and recommends its adoption in the form attached hereto as **H. R. No. 12, H. D. 1**.

Signed by all members of the Committee.

Representative Carroll did not concur.

SCRep. No. 48

Legislative Management informing the House that **House Bill Nos. 1027 to 1060, House Resolution Nos. 234 to 252, House Concurrent Resolution No. 64, and Standing Committee Report Nos. 49 to 55**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. No. 49 Housing on H. R. No. 140

The purpose of this Resolution is to request the House Committee on Housing to hold a hearing to find means of expediting the implementation of the "State Sales Housing Program," established under Section 359-141, Hawaii Revised Statutes, which permits the Hawaii Housing Authority to sell public housing units to tenants.

The program was created through Act 278, Session Laws of Hawaii 1967, but after five years has not been implemented.

Your Committee is in accord with the intent and purpose of **H. R. No. 140** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 50 Finance on H. B. No. 338

The purpose of this bill is to provide the same amount of time for an appeal from tax assessment or decisions as is allowed for an appeal from a circuit court.

At present, the law requires that appeals from an assessment or decision of the Board of Review or Tax Appeal Court be made within 20 days. At the same time, the rules of the court allow 30 days.

This bill would eliminate this discrepancy by appropriate amendments to Secs. 232-17, -19, and 235-114, Hawaii Revised Statutes, by extending the time limitation therein to 30 days.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 338** 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. 51 Finance on H. B. No. 615

The stated purpose of this bill is to treat the deaf and totally disabled persons in the same manner under the general excise tax law as the blind person. Amended hereby are Secs. 237-17 and 237-24(13), Hawaii Revised Statutes.

Sec. 237-17 provides that the proceeds, sales, income, or other receipts derived on account of business or other activities of individuals who are blind or corporations all of whose outstanding shares are owned by individuals who are blind shall not be subject to tax in excess of one-half of one per cent of such gross income or gross proceeds.

Sec. 237-24(13) provides that an amount up to, but not in excess of, \$2,000 a year of gross income received by any blind person engaging, or continuing, in any business, trade, activity, occupation, or calling within the State, shall not be subject to the general excise tax.

By amending Secs. 237-17 and 237-24(13), respectively, this bill permits: (1) individuals who are deaf or totally disabled, or corporations all of whose outstanding shares are owned by individuals who are deaf or totally disabled, the same tax rate benefit (one-half of one per cent) presently permitted a blind person or corporations as mentioned above; and (2) an exemption up to, but not in excess of, \$2,000 a year of gross income (presently permitted a blind person) received by any deaf or totally disabled person.

Act 90, SLH 1970, granted the deaf and disabled the same tax treatment as was provided to the blind under the real property and income tax laws. The general excise law was not changed at that time,

and this bill, therefore, would provide that the deaf and totally disabled would be treated in the same manner as the blind by the three major taxes levied by the state and counties in Hawaii.

It is estimated by the department of taxation that the maximum revenue loss is not expected to exceed \$75,000.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 615** 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. 52 Finance on H. B. No. 327

The purpose of this bill is to amend Sec. 232-3(1), Hawaii Revised Statutes, by providing that a taxpayer has grounds to appeal a real property tax assessment if it exceeds by more than twenty per cent the percentage of fair market value used by the director of taxation as the real property tax base; and thereby it repeals the provision specifying that the assessment must be "in excess of its one hundred per cent fair market value."

At present, Sec. 232-3 provides that other than for illegality, lack of uniformity, or the denial of an exemption to which he is entitled to, a taxpayer cannot appeal assessments on his property unless the assessment is in excess of its 100% fair market value. By statute (Sec. 246-2, HRS), the director of taxation is empowered to fix the assessment level—which since 1956 has been at 70% of fair market value. This means, therefore, that the assessment could exceed the current assessment level by 30 percentage points and still the taxpayer would not have grounds for appeal except as otherwise specified above. This allows the assessor an error margin of 43% ($30\% \div 70\%$).

It is demonstrable hypothetically that this error margin could be even greater if the director decided to lower the assessment level. For example, if the same was lowered to 50% of fair market value, the actual assessment could double this level and still the taxpayer would not have grounds for appeal, notwithstanding an error margin of 100%. And, in actual fact, your Committee is informed that

sales-assessment ratio studies conducted annually by the department of taxation indicate the mean ratio of assessed value to market value is less than the 70% certified. The last sales ratio data published (Annual Report of the Department, 1969-1970) showed the ratio of assessment to market value as follows: Oahu, 62%; Maui, 57%; Hawaii, 56%; and Kauai, 58%. Assuming, therefore, assessments according to the sales ratio studies are at 60%, instead of the 70% being certified, then under present law the margin of error for the assessor is 67%, and under the proposal made in this bill the margin of error would be reduced to 48%.

Although it is the contention of some that this is still a relatively high error margin which is disadvantageous to a taxpayer aggrieved by high assessment, and some testimony was received by your Committee urging that the bill be amended to allow for a deviation of 10% or more as recommended by The Advisory Commission on Intergovernmental Relations (**State and Local Finances, Significant Features 1967 to 1970**, November 1969), your Committee concurs with a basic premise advanced by the Tax Foundation of Hawaii with regard to land values throughout this State:

"Obviously, ratio studies can never be current with market values changing daily. Therefore, it might be wise . . . to accept as . . . evidence of inequitable assessment a proven deviation of 20% instead of the 10% recommended by ACIR."

A 20% factor would provide the assessor with a sufficient margin to account for the normal dispersion inherent in mass appraisal and, at the same time, it would provide the taxpayer with more equitable grounds for appeal. For example, applying the 20% factor to the current level of assessment would provide the assessor with a margin of 14 percentage points ($70\% \times 20\%$) as compared to 30 as explained above; in other words, a taxpayer would have grounds for appeal if the assessment exceeds 84% of the fair market value of his property.

Because, however, several members of your Committee, upon receipt of testimony by the director of taxation concerning the purpose of this bill, expressed concern that the language articulated by the pro-

posed amendment may not have been fairly descriptive of that purpose, the amendatory language to Sec. 232-3 was amended further in conjunction with the department to read as follows, regarding "Grounds of appeal . . .

"(1) Assessment of the property exceeds by more than twenty per cent the ratio of assessment to market value used by the director of taxation as the real property tax base . . ."

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 327**, as amended herein, and recommends that it pass second reading in the form attached hereto as **H. B. No. 327, H. D. 1**, and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. No. 53 Finance on H. B. No. 329

The purpose of this bill is to increase the real property tax exemption for persons affected with leprosy from \$10,000 to \$15,000; and the bill further amplifies upon the definition of a person so affected. The intent of this bill is to make the exemption under Sec. 246-30, Hawaii Revised Statutes, available to persons with leprosy who qualify under its provisions, as amended, the same as the exemption under Sec. 246-31, Hawaii Revised Statutes, available to persons with impaired sight or hearing and to persons who are totally disabled. The bill, therefore, amends the former by increasing the taxable value exempted from \$10,000 to \$15,000. It also defines a person affected with leprosy as one "in the communicable stage and is admitted to a hospital for isolation treatment."

Although this bill is sponsored by the department of taxation, this definition is a recommendation made by the department of health so as to conform to that department's definition of a person deemed a leprosy patient. A review of its files by the latter indicates that at the present time possibly a total of 17 persons may be eligible for exemption under Sec. 246-30. The distribution of the properties owned by these 17 persons are as follows: Oahu 8, Hawaii 3, Kauai 2 and Maui 4, although it is not exactly known how many of the 17 are actually receiving exemption,

and it cannot be predicted whether the more liberal exemption proposed under the bill would result in actual savings for any of the persons presently receiving exemption. The department of taxation anticipates that the loss of revenue, if any, will be "nominal".

Your Committee has amended the bill, more as to style than in substance. The provisions of the present statute which relate to persons "temporarily released", to whom the exemption also applies, have been advanced to immediately follow the new definition of "communicable stage and . . . hospitalized." We have also provided that as to both stages of affliction, a person claiming the exemption must be so declared "by authority of law", a requirement which is contained in the present statute as to persons in the former stage.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 329**, as amended herein, and recommends that it pass second reading in the form attached hereto as **H. B. No. 329, H. D. 1**, and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. No. 54 Finance on H. B. No. 334

The purpose of this bill is to provide income tax relief for members of the armed forces or civilian employees while they were prisoners of war or in a missing status during the Vietnam conflict, applicable to taxable years beginning on or after January 1, 1966.

By addition thereto, this bill amends Sec. 235-2, Hawaii Revised Statutes, which, by reference, incorporates the provisions of Sec. 112(d) of the Internal Revenue Code, as added by Public Law 92-279, and is, therefore, in conformity therewith. Under the present scheme of income taxation, as generally provided for in Section 235-2, Hawaii applies appropriately applicable provisions of the Internal Revenue Code of 1954, as amended as of June 7, 1957, with subsequent amendments, as they relate to the determination of gross income, adjusted gross income, and taxable income; provided that the subsequent amendments of the Code become effective only if the State Legislature adopts these

changes. The amendment, therefore, would exclude from gross income, compensation received by Hawaii's POW's and MIA's, whether military or civilian. Provisions are applicable to taxable years beginning on or after January 1, 1966, in that this in the date commencing with which members of the armed forces became subject to State income taxation.

Section 3(a) of the bill requires that the claim for refund or credit of any overpayment of taxes, resulting from the application of Section 112(d) of the Internal Revenue Code, must be filed within one year after the enactment of the act or within two years after the termination of the individual's missing status, whichever date is later.

Section 3(a) of the bill contains an apparent typographical error. The provisions thereof which relate to the effective date should be made to read "taxable years stated in Section 1 of this Act." The same has been accordingly corrected.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 334**, as amended herein, and recommends that it pass second reading in the form attached hereto as **H. B. No. 334, H. D. 1**, and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. No. 55 Housing on H. R. No. 12

The purpose of this resolution is to express the concern of the House to President Nixon's halt (freeze) on approving new commitments of federal subsidized housing and community development programs, to ask the President to reconsider his decision (freeze), and to request the Congress of the United States to take appropriate action to continue and expand federal subsidized housing programs—particularly for low and moderate income persons—and community development programs.

In the hearing held by your Committee on this matter, testimony was presented indicating the State is already suffering adverse effects from the freeze since some developers of housing units who were counting on federal assistance, as, for example, through FHA 235 or 236, are no

longer counting on such assistance. As a result they anticipate the costs of their finished products may be as much as twenty-five or thirty percent higher than if federal aid were still forthcoming. Some developers are planning to delay starts on new housing units until the federal situation is further clarified. These effects add to the shortage of housing units for low and moderate income persons and bode ill for the future. The cumulative effects of years and years of no federal housing and community development programs may be particularly devastating in Hawaii which does not have the large reserves of land for homes and other factors which make for a competitive and reasonably priced private housing market in most, if not all, mainland states.

A housing market badly skewed and increasingly incapable of responding to any demands but those of the relatively affluent members of the community may mean construction of increasingly fewer housing units, depressing the construction and related aspects of the local economy, and having a negative rippling effect on the total economy.

Most certainly, it appears that a market geared to higher income persons will widen the gap between the housing haves and the housing have-nots, or housing have-too-littles. A widening gap of this kind may contribute to a rising rate of a variety of forms of "anti-social" or "socially-disruptive" behaviors.

The hearing testimony and subsequent considerations have led your Committee to suggest the following amendments. The title has been amended to express the strengthened areas of concern of your Committee to read "EXPRESSING THE CONCERN OF THE HAWAII STATE HOUSE OF REPRESENTATIVES TO PRESIDENT NIXON'S HALT ON APPROVING NEW COMMITMENTS OF FEDERAL SUBSIDIZED HOUSING AND COMMUNITY DEVELOPMENT PROGRAMS, ASKING THE PRESIDENT TO RECONSIDER HIS DECISION, AND REQUESTING CONGRESS TO TAKE APPROPRIATE ACTION TO CONTINUE AND EXPAND FEDERAL SUBSIDIZED HOUSING PROGRAMS, PARTICULARLY FOR LOW AND MODERATE INCOME PERSONS, AND COMMUNITY DEVELOPMENT PROGRAMS."

The following "WHEREAS" and "BE IT FURTHER RESOLVED" clauses, which are self-explanatory, have been added:

WHEREAS, there is a continuing inflationary spiral in Hawaii's housing market making it close to impossible for low and moderate income persons to find homes to buy or rent within their financial means; and

WHEREAS, easing the present housing situation in Hawaii requires heavy investments of public funds to complement the investments in housing by the private sector; and

WHEREAS, neither the State government nor local governments in Hawaii command the necessary funds from their own resources to substantially ease the situation; and

WHEREAS, a flow of federal funds for housing and community development programs to the State of Hawaii is essential if the State is to improve the housing situation, particularly as it affects low and moderate income persons; and

WHEREAS, the President's freeze on new commitments has already had adverse effects including announcements by developers of new projects that the prices of their units would have to be increased as much as twenty-five to thirty percent and decisions by other developers to terminate or delay badly needed new housing projects; and

WHEREAS, these adverse consequences of the President's freeze can be expected to aggravate the already serious housing problem in Hawaii; and

BE IT FURTHER RESOLVED that the House respectfully requests the President of the United States to reconsider his decision to halt approval of new commitments for housing and community development programs; and

BE IT FURTHER RESOLVED that the House respectfully requests the Congress of the United States to review, modify, improve, strengthen, and expand federal efforts and funding for housing and community development programs; and

The final clause of the Resolution has

been amended to provide that certified copies of the Resolution be sent to the Speaker of the U.S. House of Representatives and the President of the U.S. Senate in addition to the President and Hawaii's congressional delegation.

Your Committee on Housing is in accord with the intent and purpose of **H. R. No. 12** as amended herein, and recommends its adoption in the form attached hereto as **H. R. No. 12, H. D. 1**.

Signed by all members of the Committee.

SCRep. No. 56

Legislative Management informing the House that **House Bill Nos. 1061 to 1099**, and **House Resolution Nos. 253 and 254**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. No. 57

Legislative Management informing the House that **House Bill Nos. 1100 to 1130**, **House Resolution Nos. 255 to 264**, **House Concurrent Resolution Nos. 65 to 68**, and **Standing Committee Report Nos. 58 to 63**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. No. 58 Higher Education on H. R. No. 68

The purpose of this Resolution is to request that all provosts of existing community colleges consider the feasibility of sponsoring seminars to the general public on new automobile equipment and repair. Such seminars would be provided at no charge or at minimal fees, and would utilize the resources of various automobile manufacturers' programs currently offered only to auto mechanic specialists on a limited basis at several community colleges.

Under **House Resolution No. 164**, adopted in the 1970 legislative session, several automobile manufacturers such as Ford have conducted seminars for auto mechanic specialists at community colleges on Oahu. They furnished necessary

technical experts to give instruction on new equipment and its repair, especially on anti-pollution devices.

These seminars were found to be highly successful, and were held at Honolulu Community College. It is thought that similar programs might be considered for the general public. This kind of seminar (as distinct from instructional program) has been conducted at Honolulu and Leeward Community Colleges, but on a limited scale, according to Vice President for Community Colleges H. Brett Melendy.

Dr. Melendy pointed out that the community colleges are supportive of the need for more safety and anti-pollution equipment and devices — and the need to upgrade auto-mechanics through in-service training in these matters — as well as conduct more general seminars for the public at large.

He stated that the colleges would be “happy to explore what might be possible” with respect to in-service training. However, he said that general public seminars might be considered primarily at campuses other than Kapiolani and Windward which now have no capability to offer them. He estimated that both kinds of programs would require instructional costs from \$20,000 to \$100,000.

Your Committee notes that existing equipment and classroom space at Honolulu and Leeward colleges does provide necessary, although limited, facilities for such public auto repair programs. However, the instructional costs Dr. Melendy cited will have to be borne by the State. This seems difficult given current fiscal constraints. But, problems of finance do not preclude the possibility of discussing the feasibility of **both** in-service and general public seminars on new auto equipment and repair at meetings of the Council of Provosts currently conducted by the office of the Vice President for Community Colleges. Communication about these discussions might then be furnished to the House.

Your Committee on Higher Education concurs with the intent and purpose of **H. R. No. 68** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 59 Higher Education on **H. R. No. 118**

The purpose of this Resolution is to request the President of the University of Hawaii and each Chancellor and Provost of a campus of the University and Community College to report on all matters relating to appointment and employment, without discrimination on account of sex, and the conditions of such appointment and employment, at each campus of the University and at each Community College, including in the report specific action taken to eliminate discrimination on account of sex and the results of such action.

Currently there is a growing national concern with the status of women in the academic profession. This concern is reflected in the process of accountability instituted by the United States Department of Labor with respect to sex discrimination at the University of Hawaii to determine whether the federal anti-discrimination law has been violated. Also reflecting this concern was the large number of citizens in attendance at the House of Representatives Higher Education Committee hearing.

Two main themes emerged from the testimony: Equal pay for equal work, and the belief that capable women are not being recruited and hired. With respect to recruiting and hiring, Dr. Judith Gething, as a member of Hawaii-Manoa Ad Hoc Group of University Women, stated that “there are few or no women at the assistant professor level or above in several departments and colleges.” Marilyn Harman, an instructor at the University of Hawaii, feels that “the problem begins when women are hired at lower ranks and steps — and therefore lower pay — than men with similar qualifications.” Jeannine Dunwell, a member of the University Commission on the Status of Women, testified that “with few exceptions, women are over-represented in lower ranks and under-represented in upper ranks.” This point about over-representation in lower ranks was later re-emphasized and agreed upon by Joan Abramson of the Hawaii Federation of College Teachers.

Your Committee finds that there are discrepancies in the University’s hiring practices with respect to men and women.

Qualified women are not receiving equal employment and appointment opportunities according to all witnesses.

In speaking of the non-linear quality of the salary allotments, Miss Harman referred to a copy of a document sent to Mr. Pottinger of the United States Department of Health, Education, and Welfare, Office of Civil Rights. This document is a formal complaint against the University, submitted by the Ad Hoc Committee of University Women. A section of this document is committed to "Pattern of Practice of Unequal Pay." In this section a comparison is made between the average annual salaries of men and women, with and without Ph. D.'s. (Table 1.) After these figures are presented, another set of figures are given which are computed by taking the average number of years since the last degree was obtained by the instructors, assistant professors, associate professors, and the professors. Using this average, the salaries were adjusted by the four (4) per cent per year compounded (the standard University of Hawaii salary increase) to arrive at the adjusted annual salaries. (Table 2.)

	Table 1	
	No	Ph.D.
Women.	11,000	14,800
Men	12,500	17,200

	Table 2	
	No	Ph.D.
Women	11,000	16,600
Men	13,100	18,400

The study concludes that sex was the only factor which led to the unequal salaries. Your Committee finds this conclusion particularly relevant to highlighting the nature and extent of discriminatory practices at the several campuses of the University of Hawaii.

Your Committee on Higher Education concurs with the intent and purpose of H. R. No. 118 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 60 Higher Education on H. R. No. 119

The purpose of this Resolution is to request the Chancellor of the University of Hawaii, Manoa to report to the House of Representatives, not later than twenty days before the Regular Session of 1974, on the existing program for women with respect to competitive inter-collegiate and intramural athletics and recreational athletics and specific plans for expansion and promotion of the program, including athletic facilities and the extent of accessibility of women to the athletic facilities.

High schools in the State presently include significant intramural and inter-scholastic athletic programs for their women students which raise enthusiasm as well as health of the participants and turn out competent and, at times, outstanding athletes. When these students attend the University of Hawaii, however, there are few opportunities to continue their competences.

Nationally, among colleges and universities, there are several athletic events for women, organized for inter-collegiate competition, but from which women students at the University of Hawaii are excluded. The women's athletic programs currently offered, therefore, warrant study and investigation.

Your Committee heard numerous kinds of testimony on this resolution presented by University of Hawaii personnel. Paul Durham, Director of the Athletic Department, described plans for the general development of a women's varsity inter-collegiate program. Marion Saunders, Program Director of Continuing Education for Women in the College of Continuing Education, however, pointed out the need for an active campaign to promote the involvement of women students. She claimed that the all-male managerial staff of the Athletic Department perpetuates a "manish" athletic image. Furthermore, present arrangement of physical facilities within the department present special difficulties for women. University student and member of the Women's Varsity Track Team, Lynn Smith endorsed Ms. Saunders' testimony. Linda M. Paul, also a student and Vice President of the Hawaii Women's Equity Action League, reinforced Ms. Smith's statement.

Your Committee finds that for 1973-74, the projected income for the men's athletic program at the University of Hawaii is \$1,185,656. This is according to data provided by Director Durham. However, of this amount, only \$5,000 has been allocated to the women's athletic fund, according to Dr. Donnis H. Thompson, Associate Professor of Health and Physical Education at the Manoa campus.

Your Committee finds favorable a plan submitted by Dr. Thompson for a women's intercollegiate athletic program. This plan details the rationale, purpose, structure, budget, administration of such a program. Also included are the results of a questionnaire on the feasibility of commencing intercollegiate athletics among women at the University of Hawaii (the sampling is of females currently enrolled full and part-time at the University of Hawaii). Another survey of attitudes of men students at the University of Hawaii with regard to a women's athletic program was also taken. In the results of the latter, your Committee notes that 70 per cent of the men polled indicated a need for a women's athletic program, and 55 per cent said they would support such a program.

Although these surveys provide only hypothetical indicators of support for Ms. Thompson's plan, your Committee strongly urges the University Athletic Department to consider its implementation. This would be in accord with the general purpose and intent of this resolution. More detailed data might then be furnished for the study requested.

Your Committee on Higher Education concurs with the intent and purpose of **H. R. No. 119** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 61 Higher Education on **H. B. No. 75**

The purpose of this bill is to waive tuition fees at any University of Hawaii campus for dependents of Prisoners of War and Persons Missing in Action.

Your Committee finds that, according to testimony by A. L. Ellingson, Dean of Students at the University, the number of possible recipients is small and probably will

not exceed five persons at any one time. The University supports the general spirit of this measure.

Your Committee adds that the provisions of this bill also conform to the University's current concern with broadening and equalizing educational opportunities for all in the State. For this reason, it concurs with the University's suggested amendments which are:

1. Section 1(b). The word "full-time" should be omitted to allow surviving spouses with small children who cannot attend full-time classes to achieve an education.

2. Section 1 of the bill should also be amended to include the provision that tuition waivers herein awarded shall not be counted as any part of the allocation of tuition waivers, scholarships or grants-in-aid already granted at any campus of the University of Hawaii.

To include all who have suffered and further broaden this bill, your Committee also recommends a last amendment:

1. Section 1 should also include a provision for those killed in action. "Killed in Action" means any person who was a resident of the State of Hawaii at the time he entered into the service of the United States Armed Forces, or whose official residence is within the State of Hawaii, and who, while serving in the United States Armed Forces has been declared to be a person killed in action as established by the United States Secretary of Defense after January 1, 1960.

Your Committee on Higher Education is in accord with the intent and purpose of **H. B. No. 75** as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 75, H. D. 1** and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 62 Water, Land Use and Development on **H. B. No. 562**

The purpose of this bill is to guarantee the right of public access to the coastal shorelines and the sea. This would be accomplished by county ordinances requiring

subdividers to dedicate land for these public access rights-of-way as a condition precedent to final approval of the subdivision.

Restrictions on public access to the coastal shorelines and the sea are well-known and were detailed in testimony presented to your Committee. Your Committee thinks that requiring subdividers to dedicate land for rights-of-way is similar to the existing requirement of dedicating sites for parks and playgrounds in subdivisions. Aside from the need for access ways for recreational purposes, your Committee was reminded by The Hawaiians that some of Hawaii's people depend on the beach and ocean for fishing to supplement their dining room tables.

The Hawaiians and several other groups also indicated a need for public access rights to mountain trails and other mountain areas where there are opportunities for recreation, hiking and fruitpicking. The use of the mountain areas is for the collection of food and herbs as well as for recreation. Your Committee supports this view and has amended the bill to include provisions for public access to the mountains and mountain trails.

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

1. The title of the bill is amended to public access so that the bill will cover public access to the mountains as well as to the sea.

2. Sections 2 and 3 of the bill also are amended to include access to the mountains and mountain trails.

3. Section 4 of the bill relating to the bracketing and underscoring of material is deleted. The entire bill is new and therefore this section is not needed.

4. Section 4 of the bill relating to the effective date is appropriately renumbered to become Section 3.

Your Committee on Water, Land Use and Development is in accord with the intent and purpose of **H. B. No. 562**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 562, H. D. 1** and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. No. 63 Finance on H. B. No. 317

The purpose of this bill is to increase the license fees paid by real estate brokers and salesmen, to direct that a portion thereof be deposited in the real estate education fund, and to establish an inactive license status for brokers and salesmen.

Specifically, the bill proposes to:

1. Increase real estate salesman and broker license fee from \$25 to \$50;

2. Increase real estate license annual renewal fee for broker from \$25 to \$50 and for salesman \$10 to \$25;

3. Increase real estate branch office license fee from \$25 to \$50;

4. Increase fee for reinstatement of a suspended license from \$5 to \$25;

5. Increase a restoration of license fee for broker from \$37.50 to \$75 and for salesman \$25 to \$37.50;

6. Increase the assessment for the recovery fund from \$25 to \$50;

7. Increase license reissuance fee from \$5 to \$10;

8. Establish an inactive license status for broker and salesman and provide for inactive license fee of \$15 for both broker and salesman;

9. Provide that \$5 of the license fee and annual renewal fee be deposited in the real estate education fund.

Real estate license fees were last increased in 1965, approximately seven years ago. Although the revenue from fees is more than adequate to cover the operational expenses of the real estate commission, according to testimony by its chairman, the commission has proposed to increase fees so that, eventually, additional personnel may be hired to relieve the present staff in the professional and vocational licensing division to enable them to keep up with the demand for services from applicants, licensees and consumers.

Also, a portion of the increased fees is

designated for deposit into the real estate education fund. It has been suggested by the Hawaii Association of Real Estate Boards, which supports this measure, that "this money can be put to good use to help do needed work perhaps on a consulting basis. Some projects discussed are educational workshops and seminars, a State reference manual relative to real estate and other timely projects."

Your Committee is also informed by the commission that the interest derived from the real estate recovery fund which is deposited in the real estate education fund, legislatively created in 1967 (See Sec. 467-19, HRS), ranges from \$9,000 to \$10,000 annually. Currently there is approximately \$20,000 in the education fund, and this bill is estimated to generate an additional \$26,000 per year for this fund alone.

The net effect of the bill, it is estimated, will increase the real estate commission's revenue contribution to the general fund by approximately \$72,250 annually.

One of the purposes of this bill is to establish an inactive license status to allow a licensee to place his license "on ice" until such time he is ready to become active in the business. The justification offered for this status is that licensees, while they may not be strictly active in real estate as such, are often employed in closely associated fields such as at mortgage, escrow and other financially related institutions. In addition, should the commission determine that a licensee has remained away from the profession for such length of time that his request for reinstatement may be questioned, its rules and regulations provide for the administration of an examination to evaluate his current knowledge.

While the commission contends that "the fee for inactive license status should be lower than a regular license," your Committee is offered no rationale therefor; and considering this status to be somewhat privileged, we cannot agree. Therefore, it is our recommendation that the bill be amended to provide that in order to be renewed annually, the fee for such license shall be identical for that of annual renewal for (active) broker and salesman, respectively, and that an equivalent portion thereof be deposited in the real estate education fund. Accordingly, in section 1 of the bill, Sec. 467-11(7) has been limited to inactive broker license at \$50;

and Sec. 467-11(8) has been added as to inactive salesman license at \$25.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 317**, as amended herein, and recommends that it pass second reading in the form attached hereto as **H. B. No. 317, H. D. 1**, and be placed on the calendar for third reading.

SCRep. No. 64 Judiciary-on **H. B. No. 26**

The purpose of this bill is to provide, by a uniform publication, some semblance of order in the presently numerous agency publications. If published by the revisor of statutes, the rules could be cross referenced with the statutes and be continually supplemented.

Your Committee concurs with the proposed measure.

Your Committee is in accord with the intent and purpose of **H. B. No. 26** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 65 (Majority) Judiciary on **H. B. No. 39**

The purpose of this bill is to reinstate Sec. 605-13, Hawaii Revised Statutes, as amended by Act 184, L. 1972. Your Committee finds that during the Sixth Legislative Session, 1972, the following occurred:

1) Act 184, L. 1972, was originally introduced in the House as **H. B. No. 2046-72**, passed both houses and was approved June 3, 1972. Therein, subsection (g) of Section 1, is contained the very same amendment as is proposed in **H. B. No. 39**. Section 2 of Act 184, contains the following:

"SECTION 2. The amendments made by this Act shall not affect or repeal any other act passed at the same session of the legislature, and all such acts shall have full effect. So far as such acts conflict with any provision contained in this Act, they shall have the effect of subsequent acts."

2) Act 190, L. 1972, was originally introduced in the Senate as **S. B. No. 1419-72**,

passed both houses and was approved June 3, 1972. This act was to take effect upon its approval. The effect of this measure was to revive Sec. 605-13 as it then existed with one modification. The substitution of "spouse" for "wife".

Your Committee finds that **H. B. No. 2046-72** (Act 184, L. 1972) was a product of work of the Statutory Revision Program 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**. Sec. 605-13, as revised, was to relate only to the representation of military personnel in the district courts in any case arising out of the driving of a military vehicle. As to other matters, Sec. 605-2, Hawaii Revised Statutes, governs and in essence provides that any person, plaintiff, defendant, or accused, can appear before any court to prosecute or defend his own cause without the aid of legal counsel.

Your Committee finds that Act 190, L. 1972, effectively negates the intent and purpose of **H. B. 2046-72** (Act 184, L. 1972), as it pertains to Sec. 605-13, Hawaii Revised Statutes.

Your Committee further finds the term "military service" in **H. B. No. 39** includes army, navy, air force and coast guard.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 39** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

Representative Lee did not concur.

SCRep. No. 66 Judiciary on H. B. No. 21

The purpose of this bill is to amend the laws relating to contested elections by removing the jurisdiction vested in the circuit courts in such instances and placing them under the jurisdiction of the supreme court.

Under present law, any contested election must first be filed in the circuit court

of the circuit in which the complainant or complainants reside. Upon judgment, any party may appeal the court's decision to the supreme court.

Under this proposed bill, the requirement for filing a complaint in the circuit court and appealing to the supreme court is eliminated. The supreme court will have exclusive jurisdiction and its judgment will be final.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 21** 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. 67 Judiciary on H. B. No. 23

The purpose of this bill is to adopt the Uniform Child Custody Jurisdiction Act. The general purposes of the Act, as set forth therein, are to:

(1) Avoid jurisdictional competition and conflict with courts of other states in matters of child custody which have in the past resulted in the shifting of children from state to state with harmful effects on their well-being;

(2) Promote cooperation with the courts of other states to the end that a custody decree is rendered in that state which can best decide the case in the interest of the child;

(3) Assure that litigation concerning the custody of a child take place ordinarily in the state with which the child and his family have the closest connection and where significant evidence concerning his care, protection, training, and personal relationships is most readily available, and that courts of this State decline the exercise of jurisdiction when the child and his family have a closer connection with another state;

(4) Discourage continuing controversies over child custody in the interest of greater stability of home environment and of secure family relationships for the child;

(5) Deter abductions and other unilateral removals of children undertaken to obtain

custody awards;

(6) Avoid relitigation of custody decisions of other states in this State insofar as feasible;

(7) Facilitate the enforcement of custody decrees of other states;

(8) Promote and expand the exchange of information and other forms of mutual assistance between the courts of this State and those of other states concerned with the same child; and

(9) Make uniform the law of those states which enact it.

The Uniform Child Custody Jurisdiction Act was promulgated by the National Conference of Commissioners on Uniform State Laws and approved by the American Bar Association in 1968.

The Act is proposed as a means to prevent the frequent occurrence of a state-to-state jurisdictional "tug-of-war" over children in cases of custody awards following separation of parents. There is generally no statutory law in this area and the judicial law is unsettled. There is no certainty as to which state has jurisdiction when persons seeking custody of a child approach the courts of several states simultaneously or successively. There is no certainty as to whether a custody decree rendered in one state is entitled to recognition and enforcement in another; nor as to when one state may alter a custody decree of a sister state.

The Act is designed to bring some semblance of order into this unsettled area of the law. It limits custody jurisdiction to the state where the child has his home or where there are other strong contacts with the child and his family (Sec. -3). It provides for the recognition and enforcement of out-of-state custody decrees in many instances (Sec. -13 and Sec. -15). Jurisdiction to modify decrees of other states is limited by giving a jurisdictional preference to the prior court under certain conditions (Sec. -14). Access to a court may be denied to petitioners who have engaged in child snatching or similar practices (Sec. -8). It opens up direct lines of communication between courts of different states to prevent jurisdictional conflict and bring about interstate judicial assistance in custody cases.

The Act stresses the importance of the personal appearance before the court on non-residents who claim custody, and of the child himself, and provides for the payment of travel expenses for this purpose (Sec. -11). Further provisions insure that the judge receives necessary out-of-state information with the assistance of courts in other states (Sec. -17 through Sec. -22).

Underlying the entire Act is the idea that to avoid the jurisdictional conflicts and confusions which have done serious harm to innumerable children, a court in one state must assume major responsibility to determine who is to have custody of a particular child; that this court must reach out for the help of courts in other states in order to arrive at a fully informed judgment which transcends state lines and considers all claimants, residents and non-residents, on an equal basis and from the standpoint of the welfare of the child.

Your Committee made a change to this bill. Sec. -1(b) has been amended to provide for a reciprocating arrangement whereby, as between two or more states that have enacted this Act, each would give the subjects of the other certain privileges, on condition that its own subjects shall enjoy similar privileges at the hands of the latter state. This provision is extremely important to insure that by passing this Act an unfair advantage would not be obtained by those states that have not enacted such a law.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 23**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 23, H. D. 1**, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 68 Judiciary on H. B. No. 13

The purpose of this bill is to preserve the rights of each spouse in property which was community property prior to change of domicile in property which was community property prior to change of domicile, as well as in property substituted therefor where the spouses have not indicated an intention to sever or alter their "community" rights.

The Uniform Disposition of Community Property Rights at Death Act was promulgated by the National Conference of Commissioners on Uniform State Laws in 1971 and approved by the American Bar Association in 1972.

The Act has a very limited scope. If enacted, it will define the dispositive rights, at death, of a married person as to his interests at death in property subject to the Act and is limited to real property located in Hawaii, and personal property of a person domiciled in Hawaii.

The Act is intended to have no effect on the rights of creditors who became such before the death of a spouse, nor does it affect the rights of spouses or other persons prior to the death of a spouse.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 13** 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. 69 Judiciary on H. B. No. 27

The purpose of this bill is to amend Section 602-11, Hawaii Revised Statutes, to allow for the appointment of a justice who has retired from the supreme court, in case of a vacancy or if a justice of the supreme court is disqualified from sitting in any case pending before the supreme court or is unable to attend, to sit in his stead.

The law presently allows for the appointment, in the above noted instances, of only circuit judges. This bill would allow the appointment of either circuit judges or retired supreme court justices thus giving the supreme court greater flexibility in its appointments.

Your Committee held a hearing on this measure and concurs with the proposed amendment.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 27** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Commit-

tee.

SCRep. No. 70 Judiciary on H. B. No. 40

The purpose of this bill is to conform these sections relating to appeals from the district court to the supreme court in accordance with Act 188, L. 1970.

Your Committee finds that:

1) Section 1 amends section 286-60, relating to an appeal to a district court from an administrative decision concerning the registration of a vehicle. The amendments would delete the special provision for rules of procedure insofar as appeals from district court judgments in these cases are concerned, leaving intact the provision for informal procedure in the district court itself; and would delete the appeal from the district court to the circuit court, leaving the case appealable only to the supreme court as in other district court cases pursuant to Act 188, L. 1970.

2) Section 2 amends section 286-128(i), relating to the duties of the circuit court and supreme court in cases involving the point system. The amendments would delete the reference to cases appealed from the district court to the circuit court, in accordance with Act 188, L. 1970.

3) Sections 3 and 4 relate to district court hearings relating to refusal of a person to submit to a test to determine the alcoholic content of his blood. Under sections 286-155 and 286-156, unjustifiable refusal, when determined by a district judge after hearing, leads to six months' revocation of the operator's license. The bill amends sections 286-157 and 286-159 to eliminate the appeal from the district judge to the circuit court in such cases, substituting a direct appeal to the supreme court as in other district court cases pursuant to Act 188, L. 1970.

Your Committee has made one change to this bill. Section 286-128(i), has been revised to read:

"(i) In the event of an appeal from [the decision of the district judge to the circuit and] **a district court to the supreme [courts] court**, or a trial in the circuit courts, such courts shall be governed by this section and **if occasion arises** shall direct the district [judge and the clerk of the district judge] **court** to carry out their

order.”

This would provide for greater clarity.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 40**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 40, H. D. 1** and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 71 Judiciary on H. B. No. 97

The purpose of this Bill is to establish a procedure for the acquisition of jurisdiction over federal land by the State of Hawaii.

Such procedure requires (1) a filing of a notice containing adequate description of the land with the Governor; (2) scrutiny thereof by the Attorney General; and (3) approval of such transfer by concurrent resolution prior to the expiration of the legislative session to which it has been transmitted.

The Bill also requires as conditions of any transfer that (1) taxing, (2) judicial, and (3) legislative jurisdictions be similarly as secured over the acquired land in the situation that exists over other areas generally within this State.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 97** 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. 72 Judiciary on H. B. No. 195

The purpose of this bill is to eliminate the present requirement in the law of one year of residency necessary prior to issuance of license to be a masseur.

Your Committee finds that the residency requirement is unnecessary to insure competent practitioners and the present law is constitutionally defective on that basis.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B.**

No. 195 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 73 Judiciary on H. B. No. 166

The purpose of this bill is to protect a person who renders assistance at the scene of a boating accident from litigation that could result from providing such assistance.

Your Committee finds that as the law presently exists, both Federal and State laws require the operator of any vessel involved in a boating accident to render all practical necessary assistance to persons involved in the accident. Presently, there is no duty to render assistance to property, nor a law that protects the boatman who does render necessary assistance.

Your Committee finds that a “good samaritan” provision is needed to encourage a boatman to render assistance and to protect the boatman who goes to the assistance of persons and property involved in a boating accident. By limiting liability in civil damages to those cases involving gross negligence or wanton acts or omissions, boatmen would be encouraged to render the needed assistance.

Your Committee concurs with the proposed amendment, with one exception. Your Committee has deleted the word “salvage” from subsection (b) which appears on page 2 of **H. B. No. 166**, since the intent of this bill is to protect boatmen who do render assistance and not compensate them.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 166**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 166, H. D. 1**, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 74

Legislative Management informing the House that **Standing Committee Report Nos. 64 to 73, House Bill Nos. 1131 to 1192, House Resolution Nos. 265 to 269,**

and **Standing Committee Report Nos. 75 to 78**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. No. 75 Labor and Employment on H. B. No. 142

The purpose of this bill is to amend Section 386-95 of the Workmen's Compensation Law by shortening the period within which an employer is required to submit the initial report of an industrial injury to the department of labor and industrial relations.

Sections 386-95 presently requires an employer to report the occurrence of an industrial injury within 15 days after he becomes aware of an industrial injury which causes absence from work for one day or more or which requires medical treatment beyond ordinary first aid. This bill proposes to shorten the reporting period from 15 days to 5 days.

Section 386-31 of the law, however, requires the payment of temporary total disability compensation in uncontroverted cases within 10 days after the employer has been notified of the occurrence of the total disability. As the reporting period is longer than the time within which benefit payments must begin in uncontroverted cases, insurance carriers find it difficult to comply with the law in instances where employers avail themselves of the full 15-day reporting period. The proposal to shorten the reporting period to 5 days would remove the foregoing incompatibility from the law and result in expedited benefit payments to injured workers.

At a public hearing conducted on the bill by your Committee, however, opinions were voiced that the proposed 5-day period would work an undue hardship at times. The Committee therefore recommends that the proposed reporting period be lengthened from 5 to 7 days and it has amended the bill accordingly. This would require prompt reporting but still give insurance carriers time to conduct investigations, if required, before commencing benefit payments.

Your Committee on Labor and Employment is in accord with the intent and purpose of **H. B. No. 142**, as amended herein, and recommends that it pass Sec-

ond Reading in the form attached hereto as **H. B. No. 142, H. D. 1**, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Wedemeyer.

SCRep. No. 76 Labor and Employment on H. B. No. 147

The purpose of this bill is to amend the Workmen's Compensation Law by providing the director of labor and industrial relations with discretionary authority to levy fines not exceeding \$100 against physicians who neglect to submit initial and interim reports of industrial injuries where they have treated or rendered services to the injured worker.

Section 386-96 presently requires a physician to submit a report to the labor department within seven days after he first treats or renders services to a worker injured in an industrial accident. It also requires further reports from the physician at regular intervals during continuing treatment and a final report within seven days after termination of treatment. The section provides penalties against physicians who are delinquent in the submission of final reports. The director of labor and industrial relations is vested with discretionary authority to levy fines not exceeding twenty-five dollars against non-complying physicians. No penalties, however, are provided for delinquencies in the filing of initial and interim reports by physicians.

This bill proposes to subject physicians to fines not exceeding one hundred dollars for delinquencies in the submission of initial and interim reports. As the payment of compensation benefits for temporary total disability is largely dependent upon the verification of disability by physicians, the timely filing of medical reports of initial and continuing treatments is essential to the benefit payment procedure. The vesting of discretionary authority in the director of labor and industrial relations to levy small fines would improve the administration of the law by encouraging promptness.

Upon consideration of the bill, your Committee is of the opinion that penalties for delinquencies in the submission of initial and interim reports should be similar to penalties presently provided for delinquencies in final report filing. It has

therefore amended the bill to give the director authority to levy fines not to exceed twenty-five dollars where physicians are delinquent in the submission of initial and interim reports.

Your Committee on Labor and Employment is in accord with the intent and purpose of **H. B. No. 147**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 147**, **H. D. 1**, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Wedemeyer.

SCRep. No. 77 Labor and Employment on H. B. No. 139

The purpose of this bill is to amend the Temporary Disability Insurance Law by adding a new section which would (a) require an employer to submit wage and employment information on a claimant requested by his insurer within 7 days of the receipt of the request and (b) authorize the director of labor and industrial relations to penalize employers who fail to comply with the foregoing requirement by levying a \$10 fine for each delinquency not excused for good cause.

The Temporary Disability Insurance Law presently contains no penalty provision covering employers who neglect to submit timely wage and employment information reports to their insurers. As determinations of eligibility for T.D.I. benefits depend upon wages earned in covered employment, delays in the receipt of necessary information result in delayed benefit payments. This bill seeks to expedite benefit payments by requiring the timely filing of wage and employment information reports by employers and by authorizing the director of labor and industrial relations to levy small fines against delinquent employers.

At a public hearing conducted by your Committee, the director of labor and industrial relations, as well as representatives of the American Life Insurance Association and the Board of Underwriters of Hawaii, testified in support of the bill.

Your Committee on Labor and Employment is in accord with the intent and purpose of **H. B. No. 139** 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. 78 Labor and Employment on H. B. No. 651

The purpose of this bill is to amend the Hawaii Wage and Hour Law, Chapter 387 of the Hawaii Revised Statutes, by raising the minimum hourly wages payable to employees from the present \$1.60 to \$2.00 on July 1, 1973 and to \$2.20 on July 1, 1974.

The Wage and Hour Law presently sets the minimum hourly wages payable to employees at \$1.60 per hour. It also allows the employer of a tipped employee to pay \$1.40 per hour if the amount the employee receives in wages and tips totals \$2.10 per hour. This bill proposes to raise the minimum hourly wages payable under the law to \$2.00 on July 1, 1973 and to \$2.20 on July 1, 1974. It proposes no amendment of the provisions covering tipped employees.

The present minimum of \$1.60 became effective in 1970 as the second increment of a two-step increase enacted in 1969, the first increment having been an increase from \$1.25 to \$1.40 per hour. Rising living costs over the three-year period since the last increase mandate a present increase in minimum wages payable to employees.

Your Committee upon consideration of this bill and the testimony adduced at the public hearing conducted on it recommends that **H. B. No. 651** be amended in several respects. The specific recommendations are:

1. To raise the minimum wages to \$2.40 per hour in four steps of \$.20 each rather than to \$2.20 in two steps; and

2. To amend provisions covering tipped employees to provide increases in the minimum wages payable to them in the same amounts as the incremental increases provided for other employees.

Your Committee is of the opinion that the wages of a worker on an annual basis should at least approach the poverty income level determined by the Bureau of Labor Statistics of the U.S. Department of

Labor. An increase to \$2.40 per hour would result in the annual wages of a worker employed full-time and paid minimum wages to approach the \$4,850 per year determined by the Bureau of Labor Statistics as the poverty income level in Hawaii. The Committee is also aware of the impact of a sudden increase in minimum wages on employers. The four-step incremental increase recommended by the Committee would lessen the impact on affected employers of being required to pay \$2.40 per hour by providing a more gradual transitional period. The Committee is also of the opinion that it would be inequitable for tipped employees to continue to be paid \$1.40 per hour by their employers while the minimum wages for other employees gradually increases to \$2.40 per hour. It would be more equitable to retain a constant differential equivalent to the present \$.20 per hour between the minimum wages payable to tipped employees and to others.

Your Committee on Labor and Employment is in accord with the intent and purpose of **H. B. No. 651**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 651, H. D. 1**, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Wedemeyer.

SCRep. No. 79

Legislative Management informing the House that **House Bill Nos. 1193 to 1229, House Resolution Nos. 270 to 278, House Concurrent Resolution Nos. 69 to 72, and Standing Committee Report Nos. 80 to 93**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. No. 80 Transportation on **H. B. No. 115**

The purpose of this bill is to permit all the counties to regulate traffic on private streets used by the general public.

Under Section 70-102, Hawaii Revised Statutes, the City and County of Honolulu has the power to regulate traffic on private roads that have been continuously used for public travel for more than five years. However, under Section 264-1, Hawaii Revised Statutes, roads which have been open for

the purpose of public travel and over which there has been no act of private ownership for five years or more are deemed to have been surrendered to the public. Therefore, it has been felt that if the county exercised its power under Section 70-102, Hawaii Revised Statutes, it might have been considered to have accepted the private roads under Section 264-1, Hawaii Revised Statutes, and would be legally liable for all defects that existed in such roads.

Since many private roads in the City and County of Honolulu are substandard in not conforming to the standards prescribed by the City and County of Honolulu for public roads and in many cases are laid out without clearly defined boundaries, the City and County of Honolulu has not been eager to take any action which might be construed as an "acceptance" of the roads, even though some form of traffic control thereon may be desirable.

Since the bill permits all counties to regulate traffic on private streets, the bill repeals Section 70-102, relating only to the City and County of Honolulu. Your Committee believes that such authority should be vested in all the counties.

Upon consideration of the bill, your Committee has amended the proposed Section 46- by clarifying the language of subsection (2). Your Committee believes that the intent of the subsection was to permit a county to regulate traffic on a private road which is intended for dedication to the county from completion date to actual dedication date. The underscoring was also deleted because it is not required under the rules of this body unless an existing section is amended.

Your Committee on Transportation is in accord with the intent and purpose of **H. B. No. 115**, as amended herein, and recommends that it be referred to your Committee on Judiciary in the form attached hereto as **H. B. No. 115, H. D. 1**.

Signed by all members of the Committee.

SCRep. No. 81 Transportation on **H. B. No. 116**

As proposed in the Bill and existing law the counties are authorized to take custody of abandoned vehicles and after proper

notice sell and dispose of such vehicles if they are not redeemed by the owners. The main differences between the proposed and existing law are as follows:

1. While existing law requires the police to reasonably notify all known owners, the provisions of the bill do not require such notice if the value of the vehicle is less than \$100 or is over eight years old.

2. While existing law permits the police to take initial custody of vehicle if unattended for 24 hours and permits the sale or disposition of such vehicles if not redeemed within 20 days after notices are given, the bill provides that the police may take custody of such unattended vehicles after 48 hours.

3. While existing law requires all vehicles, except for vehicles with less than appraised values of \$100, derelicts, and where there are no bids, be sold at public auction, the bill requires the sale by auction of vehicles worth more than \$100 and less than 8 years old only.

4. While existing law provides for derelict vehicles, vehicles stored for other reasons than being left unattended and vehicles abandoned at repair shops, the bill provides only for unattended vehicles on highways, public property and private property.

5. While existing law provides that the proceeds of the sale after expenses and one year period for the owner to claim the net proceeds shall be state or county general fund realizations, the bill provides that such net proceeds will be deposited in the county highway beautification disposal of abandoned vehicles revolving fund.

6. While existing law has no penalty the bill makes any violation of the chapter a misdemeanor.

Your Committee on Transportation is in accord with the intent and purpose of **H. B. No. 116** and recommends that it be referred to your Committee on Judiciary.

Signed by all members of the Committee.

SCRep. No. 82 Transportation on **H. B. No. 151**

The purpose of this Bill is to amend the method of funding a prior appropriation.

Item IV-C-1 of Section 2 of Act 176, Session Laws of Hawaii 1972 appropriated the sum of \$100,000 for a project at Lihue Airport to be funded by general obligation bond funds. This Bill amends Act 176 by changing the method of funding for the project to general obligation bond funds with debt service to be paid from the airport revenue fund.

Your Committee on Transportation on recommendation of the Department of Transportation has amended the description of the project from "Plans for the North-South runway" to "Plans for a new runway at Lihue Airport". The department has recommended the change because the runway alignment may not be a true North-South alignment.

Your Committee on Transportation is in accord with the intent and purpose of **H. B. No. 151**, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as **H. B. No. 151, H. D. 1**.

Signed by all members of the Committee.

SCRep. No. 83 Transportation on **H. B. No. 152**

The purpose of this bill is to amend the method of funding a prior appropriation.

Item II-C-8 of Section 2 of Act 197, Session Laws of Hawaii 1971, appropriated the sum of \$48,000 for the Lanai Airport to be funded by general obligation bond funds. This bill amends Act 197 by providing that the project will be funded from general obligation bonds with debt service cost to be paid from the airport revenue fund.

Your Committee on Transportation is in accord with the intent and purpose of **H. B. No. 152** and recommends that it be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 84 Agriculture on **H. B. No. 67**

The purpose of this bill is to require the Public Utilities Commission to submit rate schedules applicable for those using electricity for agricultural purposes. This rate would make electricity cheaper for the

farmer, enabling him to use more labor saving devices and increase his productivity.

Your Committee on Agriculture is in accord with the intent and purpose of **H. B. No. 67** and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. No. 85 Agriculture on H. B. No. 68

The purpose of this bill is to provide incentives for the construction of agricultural structures by granting a 50% exemption from real property taxation for a period of ten years. This incentive will encourage the replacement of older, dilapidated and inefficient structures with ones that will improve efficiency and productivity. This exemption would include all structures used for raising poultry and livestock that are constructed after January 1, 1974.

Chapter 246, HRS, already provides real property tax exemptions for several categories of real property improvements, including pulp and paper mills using bagasse fiber, shelters for agricultural and horticultural crops and air pollution control devices. This committee believes that similar exemption for poultry and livestock structures will be equitable and work to improve the productivity and efficiency of agriculture in the state.

Your Committee on Agriculture is in accord with the intent and purpose of **H. B. No. 68** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 86 Agriculture on H. B. No. 69

The purpose of this bill is to enable small farmers operating on short-term leases extending month-to-month or year-to-year to utilize the dedication technique as a tax abatement device. Present law permits dedication of leased land only if the lease extends at least ten years from the date of dedication. This bill corrects such inequity.

Your Committee has also amended its form so as to unify the application of the existing law both to short- and long-term leases.

Your Committee on Agriculture is in accord with the intent and purpose of **H. B. No. 69**, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as **H. B. No. 69, H. D. 1**.

Signed by all members of the Committee.

SCRep. No. 87 Agriculture on H. B. No. 216

The purpose of this bill is to amend Chapter 144, HRS, by repealing Section 144-6 and amending Section 144-11, so as to allow the Department to prescribe by rules and regulations:

1. Inspection fee schedules.
2. Penalty payments for deficiencies in official samples.
3. Responsibility and procedure for payment of fees and penalties.

Your Committee on Agriculture is in accord with the intent and purpose of **H. B. No. 216** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 88 Agriculture on H. B. No. 721

The purpose of this bill is to provide for real property tax assessment of agricultural lands in terms of rent, productivity, and other factors relating to its nature of actual agricultural use.

Your Committee believes that the effect of this bill will be to assist agriculture by providing for the assessment of agricultural lands on a realistic basis. It is also your Committee's view that land being effectively preserved in agriculture should not be penalized by the imposition of hypothetical use values.

Your Committee on Agriculture is in accord with the intent and purpose of **H. B. No. 721** and recommends that it be referred to the Committee on Water, Land Use and Development.

Signed by all members of the Committee.

SCRep. No. 89 Agriculture on **H. B. No. 134**

The purpose of this bill is to effect certain clerical and technical changes to Section 159-25, Hawaii Revised Statutes.

Your Committee on Agriculture is in accord with the intent and purpose of **H. B. No. 134** 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. 90 Agriculture on **H. B. No. 186**

The purpose of this bill is to effect certain clerical and technical changes to Section 421-4, Hawaii Revised Statutes.

Your Committee on Agriculture is in accord with the intent and purpose of **H. B. No. 186** 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. 91 Agriculture on **H. B. No. 213**

The purpose of this bill is to amend Section 91-3(b), HRS, to include impending jeopardy to livestock and poultry health among the reasons permitting adoption of emergency rules and regulations.

Your Committee on Agriculture is in accord with the intent and purpose of **H. B. No. 213** 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. 92 Agriculture on **H. B. No. 214**

The purpose of this bill is to amend Section 150-23(4), HRS, to extend the expiration of germination test date for seeds packaged and/or processed under conditions that have been shown by research to prolong the viability of seeds.

Your Committee on Agriculture is in ac-

cord with the intent and purpose of **H. B. No. 214** 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. 93 Agriculture on **H. B. No. 215**

The purpose of this bill is to amend Section 26-16, HRS, to provide flexibility with respect to the hearing officer and the time of year that the hearings may be held.

Your Committee on Agriculture is in accord with the intent and purpose of **H. B. No. 215** 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. 94

Legislative Management informing the House that **House Bill Nos. 1230 to 1277, House Resolution Nos. 279 to 290, House Concurrent Resolution No. 73, and Standing Committee Report No. 95, Re: House Resolution No. 116, House Draft No. 1**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. No. 95 Higher Education on **H. R. No. 116**

The purpose of this Resolution is to request data about the status of women students attending the University and each Community College, including the proportion of women students enrolled in each graduate and undergraduate discipline or major and the percentage of women applicants in comparison with men applicants to these disciplines or majors and other appropriate data with respect to student financial aids and graduate student employment. The President of the University and Chancellors and Provosts of all campuses are requested to submit a report to the House of Representatives no later than twenty days before the Regular Session of 1974.

Section 304-1 of the Hawaii Revised Statutes provides that no person shall be

deprived of the privileges of the University of Hawaii because of sex, color, or nationality. It is likely that individuals are deprived of the privileges of the University because of sex as a consequence of a subtle, rather than overt, discrimination.

Your Committee heard numerous testimony from students and faculty of the University of Hawaii. Dr. Joan Hoffman, chairperson of the Medical School's admission committee pointed out that of the 902 applicants, only 14 percent are women, and of the 43 candidates accepted thus far, only 9, or 20 percent, are women. Marion Saunders, Program Specialist in Continuing Education for Women, stated that the University of Hawaii Medical School admitted women in 1972 as 13 percent of total students admitted. In the same year, Michigan's Medical School admitted 20 percent women; SUNY Buffalo, 20 percent; John Hopkins, 23 percent; and Hershey Medical School in Pennsylvania, 25 percent.

It seems clear to your Committee that inadequate attention has been paid to women with respect to graduate admissions. They continue to be regarded as a minority, not only in Hawaii but elsewhere in the nation.

Furthermore, your Committee notes that there are other areas of the University and Community College student functions that are subject to a "sex-differential". Present administrative policies operate to the disadvantage of women. These include the granting of student financial aids, graduate student employment in certain disciplines, and faculty encouragement and counsel. Ms. Saunders drew attention in her testimony to a recent study on financial aids showing that women receive an average of \$518 compared to \$769 for men. The study, done by the Educational Testing Service, showed that women receive smaller grants even when their needs are equal to men's.

Your Committee also heard testimony from A.L. Ellingson, Dean of Student Services, at the University of Hawaii which supported the intent of this resolution. Ellingson said the University Office of Student Affairs on the Manoa campus had affirmative action programs designed to provide equal educational and employment opportunities. He also stated that this office would be prepared to assist in gather-

ing the data for the study requested in this resolution, particularly in the areas of counseling, financial aids, and graduate student employment.

Your Committee also heard testimony from the Associated Students of the University of Hawaii. Mona Chock, Senator-at-Large, spoke in favor of the resolution. Gathering data, she argued would yield percentage figures which would also indicate how males in the University may, or may not, also have been discriminated against.

Your Committee received Sex and the Ph.D. in the University of Hawaii College of Arts and Sciences, an analysis based on statistical report #1272 from the University of Hawaii Computing Center. This report shows that the ratio of men to women in the Arts and Sciences faculty is 4 to 1, respectively. At the Administrative level, the ratio is approximately 6 men to 1 woman. This same report indicates that the annual salary for males is \$2,000 more per year in both the Ph.D. and non-Ph.D. categories than for females in the same classification.

Your Committee concludes that faculty and counselors of the University are unaccustomed to thinking of women as preparing for careers in professions and occupations that have been historically dominated by men, e.g., medicine, law, engineering. Such discrimination is inconsistent with the 1973 Amendment to the State Constitution which prohibits sex discrimination by the State. This includes discrimination resulting from traditional, stereotyped classifications of sex roles.

Thus, your Committee recommends that the "Be it Resolved" clause be amended to include a study of data on women in the Placement Office of the University as well as in administrative, faculty, and counseling positions, and that the word "student" be omitted from the title, especially if this be compatible with data gathering methods for the study.

Your Committee on Higher Education concurs with the intent and purpose of **H. R. No. 116**, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as **H. R. No. 116, H. D. 1**.

Signed by all members of the Committee.

SCRep. No. 96 Consumer Protection on H. B. No. 41

The purpose of this bill is to provide remedies for complaints by consumers against persons licensed or regulated by state agencies.

The bill in short provides that any public agency delegated to regulate a business or profession shall receive complaints by consumers against those persons regulated and take appropriate actions. Your Committee believes that most agencies expressly or by implication are presently empowered to take such actions, but the handling of consumer complaints varies from agency to agency. The bill's proposal expresses Legislative intent and mandates all agencies to treat complaints of consumers promptly and uniformly. It is believed that the requirements imposed do not constitute expansion items from a budgetary standpoint.

Upon consideration of the bill, your Committee has amended the bill in the following particulars:

1. Section 92- (a) — In addition to boards and commissions, the bill was expanded to include departments thereby making all agencies subject to the provisions of the bill. There are some businesses and professions that are regulated by departments.

2. Section 92- (b) — The subsection was amended to provide that the agency will proceed to enforce "written" complaints instead of "any" complaint and that such action shall be limited to alleged violations which are within the jurisdiction of the agency instead of all violations.

3. Section 92- (d) — Added a subsection which permits the agency to apply for injunctive relief and requires the agency to refer for prosecution any violation subject to criminal penalty.

4. Section 92- (e) — Added a subsection to provide that if the complaint does not come within the jurisdiction of the agency, it will notify the complainant in writing the reasons for its inability to assist in the matter.

Your Committee believes these provisions are desirable as they will discourage agency "buck passing" that is often en-

countered by complainants.

Your Committee on Consumer Protection is in accord with the intent and purpose of **H. B. No. 41**, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as **H. B. No. 41, H. D. 1**.

Signed by all members of the Committee.

SCRep. No. 97 Consumer Protection on H. B. No. 61

The purpose of this bill is to amend existing laws by changing the title of the Office of Consumer Protection to the Office of Consumer Affairs so it will more properly reflect the duties and functions of the office. Consistent with the change in title, all other sections relating to consumer protection were also amended.

Your Committee on Consumer protection is in accord with the intent and purpose of **H. B. No. 61** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 98 Consumer Protection on H. B. No. 311

The purpose of this bill is to establish a contractors recovery fund from which any person damaged by any act of a duly licensed contractor may seek restitution.

The provisions of the bill are patterned after the real estate recovery fund which presently indemnify victims of real estate brokers and salesmen. The fund is financed by licensees and a single recovery is limited to \$10,000 provided further that the underlying dispute has been decided by a court of law.

Your Committee has amended the provision relating to additional payments to the fund by providing that in case the balance of the fund is less than \$150,000, the licensee shall pay, in addition to his license renewal fee, a fee "not to exceed" \$50 instead of a fee "of \$50".

Your Committee on Consumer Protection is in accord with the intent and purpose of **H. B. No. 311**, as amended herein, and recommends that it be referred

to the Committee on Judiciary in the form attached hereto as **H. B. No. 311, H. D. 1.**

Signed by all members of the Committee.

SCRep. No. 99 Consumer Protection on **H. B. No. 708**

The purpose of this bill is to amend chapter 487, Hawaii Revised Statutes, relating to consumer protection by adding a new section thereto which will permit the voluntary compliance by an alleged violator.

Under existing law, the office of the consumer protection is, among other things, empowered to investigate and enforce suspected violations of consumer protection laws. The provisions of the bill permit the office to accept from the alleged violator assurance that he will comply with the law. Your Committee believes that such informal enforcement procedure will expedite the handling of many complaints and educate the seller who without bad intent had been violating the spirit of the law.

Your Committee has amended the bill by relating the provision whereby any violation of the terms of a voluntary agreement will be deemed prima facie evidence that the seller violated the law. Your Committee believes that the effectiveness of the procedure will be diminished if the provision is retained. Furthermore, such a provision is inconsistent with earlier provision of the new section which provides that if a seller enters into an agreement, it shall not be considered an admission of the violation.

Your Committee on Consumer Protection is in accord with the intent and purpose of **H. B. No. 708**, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as **H. B. No. 708, H. D. 1.**

Signed by all members of the Committee.

SCRep. No. 100 Consumer Protection on **H. B. No. 132**

The purpose of this bill is to amend Section 291-38 which prohibits the tampering of odometers in various situations. To discourage abuses your Committee agrees with those testifying on the bill that the

prohibition should also be imposed on renters of motor vehicles as proposed in the bill.

Your Committee on Consumer Protection is in accord with the intent and purpose of **H. B. No. 132** and recommends its passage on Second Reading and that it be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 101 Consumer Protection on **H. B. No. 133**

The purpose of this bill is to amend Chapter 292, Hawaii Revised Statutes which prohibits the tampering of odometers in passenger vehicles for sale by dealers. This bill would prohibit the tampering of odometers in those passenger vehicles offered for rent or lease.

Your Committee finds it desirable that assurance of accuracy in passenger vehicles should also include those vehicles offered for rent or lease in the State of Hawaii.

Your Committee on Consumer Protection is in accord with the intent and purpose of **H. B. 133** 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. 102

Legislative Management informing the House that **House Bill Nos. 1278 to 1314, House Resolution Nos. 291 to 295, and Standing Committee Report Nos. 103 to 109**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. No. 103 (Majority) Labor and Employment on **H. B. No. 575**

The purpose of this bill is to amend the Hawaii Wage and Hour Law by deleting language which exempts employees of agricultural employers with fewer than 20 employees from coverage under the law.

The definition of "employee" in Section 387-1 of the Wage and Hour Law does not

include "any individual employed in agriculture for any workweek in which the employer employs less than twenty employees or in agriculture for any workweek in which the individual is engaged in coffee harvesting". The effect of this exclusion is to deprive an agricultural worker who works for an employer with fewer than 20 employees of any protection under the law. He can be paid below the minimum wage level and his employer does not have to pay him an overtime premium for work beyond a normal workweek of 40 hours.

This bill proposes to extend the law's coverage to include agricultural workers, except when they are engaged in coffee harvesting. The department of labor and industrial relations estimates that there are 1901 employees who would be affected by the proposed amendment. Your Committee agrees that this sizeable group of employees should be afforded the protection of the minimum wage and overtime provisions of the law.

Your Committee on Labor and Employment is in accord with the intent and purpose of **H. B. No. 575** and recommends that it pass Second Reading and be referred to the Committee on Agriculture.

Signed by all members of the Committee except Representative Wedemeyer.

Representative Ajifu did not concur.

SCRep. No. 104 Labor and Employment on **H. B. No. 137**

The purpose of this bill is to amend the Wage Payment Law by:

1. Making it unnecessary for the department of labor and industrial relations to investigate and collect wage claims for persons employed in executive, administrative, or professional capacities, or as outside salesmen; and

2. Allowing the department to accept wage claims for investigation and collection only if the claims are not more than a year old.

Section 388-11 authorizes the department of labor and industrial relations to accept assignments of unpaid wage claims for collection purposes. There is no present restriction on the claims the department may accept assignments of and the practice

of the department has been to accept all claims regardless of the amount involved or the occupation of the claimant. The department processes a substantial number of claims and the number has been increasing annually.

At a public hearing on the bill, the director informed your Committee that the processing of large claims filed by corporate officers, executives, professionals, and outside salesmen which usually involve complex legal issues, while not large in number, demands a disproportionate amount of the time of the department's investigators and a deputy attorney general. He urged the passage of this bill as the department's staff could then spend more time and do more effective work on the numerous smaller claims filed by those who really require the department's assistance in collecting unpaid wages. He justified the purpose and intent of the bill on the ground that the large amounts involved and the financial resources of corporate officers, executives, professionals, and outside salesmen make the services of private counsel readily available for the enforcement of their claims.

Section 388-11 presently contains no limitations on the age of claims the department can process. The director has requested that the department be permitted to reject claims more than a year old as the pursuit of stale claims can dissipate the department's limited resources.

Your Committee agrees with the director that the resources of the department should be expended to help those who really require assistance. It further finds that a policy of excluding higher paid employees from coverage under our labor laws is already reflected in the Wage and Hour Law which exempts executive and administrative personnel, professionals, and outside salesmen from coverage under minimum wage and overtime provisions. Your Committee further agrees with the director that the department should not dissipate its resources through the pursuit of stale claims.

Your Committee on Labor and Employment is in accord with the intent and purpose of **H. B. No. 137** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Commit-

tee except Representative Wedemeyer.

SCRep. No. 105 Labor and Employment
on **H. B. No. 143**

The purpose of this bill is to amend the Workmen's Compensation Law by:

1. Shortening the period within which a decision of the director of labor and industrial relations may be appealed to 10 days; and

2. Shortening the period within which the director may reopen a case after the issuance of his decision to allow the introduction of new evidence to 10 days.

Section 386-87 presently allows 30 days for the filing of appeals to the appeals board from decisions of the director and section 386-89 also allows 30 days after a decision for the reopening of cases to permit the introduction of new evidence. The director of labor and industrial relations has proposed that both 30-day periods be shortened to 10 days.

At a public hearing on this bill, the director informed your Committee that the 30-day appeal and reopening periods work to the disadvantage of claimants. As an example he cited a case where temporary total disability benefits are awarded to a claimant by the director and the employer files an appeal on the 30th day and requests a stay of payments. No payments of benefits are then made until the appellate board has conducted a hearing on the employer's motion for a stay of payments and made a determination thereon. This situation where benefit payments are delayed for more than a month would be alleviated to some extent by shortening the appeal and reopening periods because benefits would then become due at an earlier date.

Your Committee on Labor and Employment is in accord with the intent and purpose of **H. B. No. 143** 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. 106 Labor and Employment
on **H. B. No. 144**

The purpose of this bill is to amend the

Workmen's Compensation Law by:

1. Adding language to Section 386-42 which would make a widower who was living with his deceased wife at the time of her death from an industrial injury eligible to receive death benefits under the law; and

2. Adding language to Section 386-43 to make it conform to Section 386-42 with respect to dependency benefits payable to an unmarried dependent child who is under 22 years of age and a full-time undergraduate college student.

Section 386-42 presently makes death benefits payable to a widow of a deceased worker if she was living with him or was actually dependent upon him at the time of his death from an industrial injury. The section, however, makes death benefits payable to a widower only if he is incapable of self-support and was actually dependent upon his wife at the time of her death from an industrial injury. This bill proposes that similar rights be awarded widows and widowers with regard to eligibility for death benefits. Both categories of survivors would be eligible for benefits upon a showing of having lived with injured workers. No showing of incapability of self-support or actual dependency would be required of widowers.

Your Committee agrees with the director of labor and industrial relations that where both spouses were employed it can be assumed that the household required the incomes of both and that the death of either spouse would result in economic hardship. It also agrees that the present provisions discriminate against members of one sex and should be removed from the law.

The second proposal in the bill is a technical amendment to bring Section 386-43 into conformity with Section 386-42. Section 386-42 which defines dependents now deems an unmarried child who is below 22 years of age and a full-time undergraduate college student a dependent for benefit purposes. Section 386-43 which covers the duration of benefits, however, does not mention a child in the foregoing category. The proposed amendment to Section 386-43 would add language to correct what appears to have been an inadvertent omission. As dependency benefits have already been granted to the category of dependents involved by Section 386-42, no

new rights are being created and the amendment is for clarification purposes.

Upon consideration of the bill, your Committee recommends that it be amended by substituting the term "surviving spouse" for the term "widow or widower". "Surviving spouse" would further the intent of the bill to remove discriminating features from the workmen's compensation law. Your Committee has therefore amended **H. B. No. 144** in accordance with the foregoing recommendation.

Your Committee on Labor and Employment is in accord with the intent and purpose of **H. B. No. 144**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 144, H. D. 1**, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Wedemeyer.

SCRep. No. 107 Labor and Employment on H. B. No. 145

The purpose of this bill is to amend the Workmen's Compensation Law to permit compromise settlements of compensation claims before they reach the appellate level.

Section 386-78 now expressly prohibits compromise settlements of compensation claims pending before the director of labor and industrial relations. A compromise settlement of a compensation claim which has been appealed to the appeals board or court is permissible if the director of labor and industrial relations is notified of the proposed settlement and is given an opportunity to be heard thereon prior to the approval of the settlement by the board or court. These provisions are designed to protect the interests of injured workers by discouraging improvident settlements.

This bill proposes to amend Section 386-78 to permit compromise settlements of claims pending before the director if they are approved by the director and do not cover claimants' rights to reopen their cases or future medical benefits. The proposal would therefore provide safeguards against improvident agreements between claimants and employers by requiring the director's review and approval and by excepting reopening rights and future medical benefits from the purview of permitted compromise settlements.

Your Committee agrees with the director of labor and industrial relations that the allowance of compromise settlements prior to the appellate level could expedite the benefit payment procedure and obviate the necessity for time-consuming hearings in many cases. It also agrees that this bill would still protect the interests of claimants by requiring approval of settlements and by excepting reopening rights and future medical benefits from the scope of permitted agreements.

Your Committee on Labor and Employment is in accord with the intent and purpose of **H. B. No. 145** 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. 108 Labor and Employment on H. B. No. 148

The purpose of this bill is to amend the unemployment compensation law by extending the period within which Reed Act Funds may be requisitioned by the state from the unemployment compensation trust fund and used in the administration of the state's Employment Security programs.

Reed Act Funds are special appropriations from Federal unemployment tax collections which have been credited to the unemployment trust funds of the various states. These funds may be requisitioned by a state through the enactment of an appropriation act and used in the administration of its Employment Security programs. Until recently, the funds which were subject to being requisitioned and used by the various states were limited to moneys credited to them over the last 15-year period. Recent Federal legislation, however, extended the period over which such funds could be requisitioned and used to 25 years.

This bill proposes to amend the Hawaii Employment Security Law to conform with the Federal law and to enable the state to requisition and use Reed Act funds over the longer period now permitted by the Federal enabling legislation. Reed Act funds were last credited to Hawaii in 1956, 1957, and 1958 and there is still a balance of \$180,439.40 remaining therefrom. By the enactment of this bill, the state will be able to utilize these funds for the administration

of its Employment Security programs up to 1983.

Your Committee on Labor and Employment is in accord with the intent and purpose of **H. B. No. 148** 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. 109 Labor and Employment on **H. B. No. 404**

The purpose of this bill is to amend the unemployment compensation law by deleting those provisions which subject claimants who have left work to become homemakers to certain stringent requirements relating to their subsequent "availability for work".

Section 383-29 delineates the eligibility requirements for benefit claimants under the Hawaii Employment Security Law. One of the requirements is that a claimant be "able and available for work". Availability is normally determined on the basis of registration for work and statements of availability by claimants. A person who has left work to become a homemaker and subsequently files for benefits must show availability like all other claimants and in addition thereto must present some specific evidence of availability. Specific examples of the evidence required are: (a) "conditions which led to leaving work have terminated"; (b) "arrangements have been made for the care of the household by others"; (c) "conditions require the claimant's contribution to the economic support of the household"; or (d) "the claimant has had some work or made efforts to secure work".

The provisions of the law which require specific evidence of availability only of claimants who have left work because of marital obligations or approaching marriage discriminate against female claimants as homemakers in our society are mostly female. Your Committee agrees that Section 383-29 should be amended by the removal of the discriminatory language covering claimants who have left work to become homemakers.

Your Committee on Labor and Employment is in accord with the intent and purpose of **H. B. No. 404** 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. 110

Legislative Management informing the House that **House Bill Nos. 1315 to 1600**, and **Standing Committee Report Nos. 111 to 114**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. No. 111 (Majority) Transportation on **H. B. No. 12**

The purpose of this bill is to curb a dangerous practice along our public highways by prohibiting the display of movable signs to attract the attention of the motorist.

Testimony presented at the public hearing support the declared finding as stated in section 1 of the bill that such activity is dangerous to the health and safety of both the sign holder and car driver whose attention the holder attempts to divert. Your Committee is aware that any legislation which tends to limit the right of an individual to communicate with others presents a constitutional question, but after much deliberation, it believes that safeguarding the health and safety of the public justifies favorable consideration of the bill.

Your Committee also considered the controlled or regulated use of the highway as a legitimate avenue for persons to communicate with the public. With the projected increase in population and expected demands on our highways, your Committee is of the opinion that the problem will become more critical. It, therefore, concurs with the bill's proposal to prohibit all such activities.

Your Committee, however, believes that the bill as drafted goes beyond the scope of the declared finding because the provisions as stated in section 2 of the bill also prohibit signs such as pickets and other signs which are primarily designed to communicate with pedestrians and other non-motorists. **H. B. No. 12** was therefore amended as follows:

(1) Limited the area to the right-of-way,

abutting sidewalk and adjacent areas instead of a reasonable distance from the highway.

(2) Designated the amendment as subsection (c) of Section 291C-77 instead of "a new section to be appropriately numbered".

(3) Redefined the definition of a movable sign so it will be more consistent with the purpose of the bill thereby minimizing the chances of the provisions being declared defective on constitutional grounds.

As amended, the bill does not apply to movable signs such as picket signs in a labor dispute which are not primarily held or displayed to draw the attention of occupants of motor vehicles using the highways.

Your Committee on Transportation is in accord with the intent and purpose of **H. B. No. 12**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 12, H. D. 1**, and that it be placed on the calendar for Third Reading.

Signed by all members of the Committee.

Representatives Hapai and Wong did not concur.

SCRep. No. 112 Environmental Protection on S.C.R. No. 14

The purpose of this Concurrent Resolution is to request the Governor to appoint a Temporary Commission on State-wide Environmental Planning, the function of which will be to "provide policy guidelines for State General Planning" which will "assure fullest consideration of the environment and human life styles" and which will assign responsibility to the appropriate agencies to implement the same.

Your Committee noted that the original form of this Concurrent Resolution failed to state a deadline for the establishment of such a plan, and accordingly supplied the same in **H. D. 1** by indicating November 1, 1973 as the date by when it shall "accomplish its function".

Also, your Committee believes that the membership composition of twenty-seven persons may be unwieldy, and additionally amended the original form to require that

the Temporary Commission establish an Executive Committee of five members including the Director of the Office of Environmental Quality Control to facilitate the handling of its affairs.

Your Committee also recommends that the Temporary Commission should seek the participation by persons, organizations and agencies — such as civic organizations specifically concerned in environmental endeavors and the Department of Parks and Recreation of the several counties, etc. — with particular expertise and concern for the full preservation of environmental quality in order that the most effective input may be assured in the development of the policy guidelines.

Your Committee on Environmental Protection is in accord with the intent and purpose of **S. C. R. No. 14**, as amended herein, and recommends its adoption in the form attached hereto as **S. C. R. No. 14, H. D. 1**.

Signed by all members of the Committee.

SCRep. No. 113 Select Committee of Kauai Representatives on H. C. R. No. 72

The purpose of this Resolution is to request that the County of Kauai offer the Wailua Golf Course to the U.S. Golf Association as a suitable place for its 1975 or 1976 championships, and to assure the Association that any required improvements will be made.

Your Committee has amended this Resolution as follows: Paragraph 9, line 6, is amended to read: "and to assure them that any required improvements will be made;" to clarify intent.

Your Select Committee of Kauai Representatives concurs with the intent and purpose of **H. C. R. No. 72**, as amended herein, and recommends that it be adopted in the form attached hereto as **H. C. R. No. 72, H. D. 1**.

Signed by all members of the Committee.

SCRep. No. 114 Consumer Protection on H. R. No. 117

The purpose of this Resolution is to request that the Committee on Consumer Protection of the House of Representatives

conduct a study of the cause of the failure to achieve availability of cable television systems equally to all the television viewers of the State of Hawaii.

Your Committee finds that by the enactment of Act 112, 1970 the Legislature of the State of Hawaii sought to achieve a rapid and orderly expansion of cable television systems to service television viewers of the State of Hawaii.

Your Committee on Consumer Protection concurs with the intent and purpose of **H. R. No. 117** and recommends its adoption.

Signed by all members of the Committee.

SCRep. No. 115

Legislative Management informing the House that **House Bill Nos. 1601 to 1813**, **House Resolution Nos. 296 and 297**, and **Standing Committee Report Nos. 116 to 121**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. No. 116 Judiciary on **H. B. No. 172**

The purpose of this bill is to provide that drivers of heavier categories of motor vehicles including trucks with gross weight of 6,000 pounds or more, buses, school buses, tractor-semi-trailer combinations and truck-trailer combinations be examined for the counties by persons examined and certified as a certificated fleet safety examiner by the state highway safety coordinator. At the present time such drivers are examined for their operator's licenses by persons who are not assessed by such certifiers to possess adequate qualifications.

Your Committee finds that the present system of licensure is inadequate and may in some instances have contributed to bad accidents involving trucks and buses.

Your Committee has incorporated **H. B. No. 171** which requests amendments to Section 286-102, Hawaii Revised Statutes, to simplify the language regarding designation of the categories of motor vehicles in Section 286-102. This was done so as to clearly designate the areas of responsibility

of the examiner of drivers and the certificated fleet safety examiner.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 172**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 172, H. D. 1** and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Carroll.

SCRep. No. 117 Judiciary on **H. B. No. 180**

The purpose of this bill is to add new provisions to Chapter 454 and to provide thereby protection to investors in mortgage loans.

The original bill restricted the sale of mortgage loans by mortgage brokers (1) "when . . . individuals involved in the mortgage loan transaction are named . . . as the mortgagor" and (2) "when the mortgage broker has direct or indirect interest in the title of the real property involved".

Testimony before your Committee revealed that the sale of mortgage loans in which the mortgage broker's name appears or in which he has interest in the loan is the customary manner by which a substantial part of the local mortgage brokerage business is conducted. It also revealed that the mortgage brokerage business in Hawaii is one primarily transacted among institutional investors, and that expert scrutiny of the mortgage loans being offered minimizes the risks for such investors. The danger of misjudgment is, however, real for the individual investor who lacks or is unable to afford the advantages of such scrutiny.

Accordingly, your Committee amended the bill to direct prohibition against mortgage brokers from selling "mortgage loans to more than twenty-five persons during a period of twelve consecutive months" and to require each mortgage broker and mortgage solicitor to "respond to all appropriate inquiries and investigations in this regard".

It is your Committee's belief that the effect of this bill as amended will provide an important form of public protection against the recurrence of the heavy losses suffered by individual investors in the Pan-

American Finance debacle.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 180**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 180, H. D. 1** and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Carroll.

SCRep. No. 118 Judiciary on H. B. No. 304.

The purpose of this bill is to amend Sections 416-122 and 416-127, Hawaii Revised Statutes, and thereby reduce from three times to once the number of times the Director of Regulatory Agencies must publish legal notices with respect to involuntary dissolution of corporations, and to increase from 90 to 180 days the period within which the director may reinstate involuntarily dissolved corporations.

This bill will reduce the financial burden of the State with respect to the cost that is insured annually in publishing such legal notices, and will correct the insufficiency experienced in many cases in the amount of time afforded the director to bring the notice of the fact of the involuntary dissolutions to the persons involved in the affected corporations.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 304** 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 Carroll.

SCRep. No. 119 Judiciary on H. B. No. 307

The purpose of this Act is to affect a technical change to Section 484-8(a), Hawaii Revised Statutes, to afford the Director of Regulatory Agencies and his staff additional time to pass upon an application for registration of real property subdivisions.

At the hearing the Director of Regulatory Agencies testified that such additional time was required only in the case of applications for registration being reviewed with

respect to subdivisions located beyond the boundaries of this State, and that he had no objections against the existing limitation of forty-five days being retained for domestic subdivisions.

Your Committee has accordingly amended this bill to provide "forty-five days for subdivisions within the State and ninety days for subdivisions located beyond the boundaries of this State" from the date of notice of filing of the application for registration of real property subdivisions, within which the Director of Regulatory Agencies would have to act upon such applications.

The original bill has also been amended to delete all references to other subsections of Section 484-8, Hawaii Revised Statutes, as no changes to such subsections are affected by the original form of the bill in any event and the references thereto were superfluous.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 307**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 307, H. D. 1** and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Carroll.

SCRep. No. 120 Judiciary on H. B. No. 590

The purpose of this Act is to amend Section 403-11, Hawaii Revised Statutes, to clarify the use of words such as "bank", "banker", etc. so as to prevent its misuse which may mislead the public to a mistaken belief that a person or firm using the same is engaged in the banking business when that is not the case.

Your Committee notes that beneficial and common usage is made of such words with reference to "blood bank", "eye bank", etc.

House Draft 1 restores the original language of Section 403-11 except to amend the same by making the use of such words illegal when used "in a manner or circumstance tending to lead the public to believe that the user is engaged in the banking business" without having received appropriate certification to engage in such business.

The intent of this amendment to **H. B. No. 590** is to make explicit that where the word “bank”, “banking”, and the like, is used by a business in its name and where such business is obviously not engaged in the banking business, this section shall not apply.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 590**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 590, H. D. 1** and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 121 Finance on **H. B. No. 195**

The purpose of this bill is to eliminate the present statutory requirement of one-year of State residency as a condition of admission to examination and registration as a masseur.

Your Committee is informed by the executive secretary of the board of massage, and in concurrence with your Committee on Judiciary reporting hereupon in **Stand. Com. Rep. No. 72**, we find that the residency requirement is unnecessary to insure competent practitioners and the present law is constitutionally defective on that basis. In June of 1972, the board was so advised by the department of the attorney general, and since then it has not enforced the residence requisite as a standard of licensure, which is hereby deleted from Sec. 452-13, Hawaii Revised Statutes.

As an aside, the bill also deletes the figures “\$10[15]” and “\$5[7.50]” as they appear in Secs. 452-13(a) (1) and (b), respectively, relating to application fee for examination and registration of massage establishments, respectively, and substitutes therefor the fees as heretofore modified by administrative action pursuant to Sec. 92-28 which are shown in brackets, to wit: “\$15” and “\$7.50”, respectively.

In the original drafting of the bill, subsections 452-13 (a) (2) and (3) of the statute, relating to board satisfaction of good moral character and dispensation with examinations of out-of-state applicants with substantially equal qualifications, respectively, were apparently omitted through inadvertence. Conferring with the executive secre-

tary of the board confirms that it had no intention of deleting these provisions, and the bill has been amended by restoring them. In this regard, however, because the latter subsection refers to examinations of applicants, “subject to the residence requirements hereinabove set forth,” your Committee has further amended the statute by deleting therefrom the quoted passage as inconsistent with the purpose of this bill.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 195**, as amended herein, and recommends that it pass third reading in the form attached hereto as **H. B. No. 195, H. D. 1**.

Signed by all members of the Committee except Representative Yuen.

SCRep. No. 122

Legislative Management informing the House that **House Bill Nos. 1814 to 2043**, and **Standing Committee Report Nos. 123 and 124**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. No. 123 Judiciary on **H. B. No. 1003**

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 Hawaii Revised Statutes 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 as proposed, seeks 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 held a hearing on this matter and, after considering the testimony

submitted, have made certain typographical corrections and amendments to this bill in the following manner:

1) By correcting the typographical error in Section 2 amending Section 505-4, Hawaii Revised Statutes, to insert the first clause which was inadvertently omitted and bracketing the second clause in its entirety;

2) By adding a new Section 3 amending Section 501-82 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;

3) By inserting a new Section 4 amending Hawaii Revised Statutes Section 501-102 in order to direct attention for clarity, to the changes proposed by other sections of this bill.

4) By inserting a new Section 5 amending Section 501-136, Hawaii Revised Statutes, so as to remove the possible question that may arise as to whether Federal Tax Liens still need to be filed in the office of the assistant registrar of the land court in the case of land court property since this section presently so require as to "any lien".

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 1003**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1003, H. D. 1**, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Carroll.

SCRep. No. 124 Higher Education on **H. B. No. 74**

The purpose of this bill is to provide a sum from the general fund revenues of the State of Hawaii for the expansion and

strengthening of vocational-technical training programs of the community colleges.

Your Committee recognizes the need for strengthening community college vocational-technical programs. Old equipment needs to be upgraded; new equipment needs to be purchased. Specially trained counselors, administrators, and other personnel are necessary to complement and plan for present and future programs. Research is also necessary to update and revise curriculum plans. This is in accord with an ever changing world of work.

Your Committee concurs with a statement by President of the University, Harlan Cleveland, in "Vocational Education in Hawaii", a brochure issued by the Office of the State Director for Vocational Education. Cleveland stated that there is a "pressing need for well-trained, able technicians in all vocational areas." However, these persons need an education to "join in the search for creative solutions to a host of challenges: urban crowding, pollution, the effective and beneficial use of leisure time, and the preservation of Hawaii's special human qualities of tolerance and mutual understanding."

Granted these general goals of vocational-technical education which your Committee has observed in numerous instances while informally visiting campuses during Vocational Education Week last month, it remains cognizant of, and acknowledges, current fiscal problems faced by the State. It agrees with Vice President Brett Melendy's outline of the problem: The community college basic budget requests are contained in **H. B. 1**, but the bill will not provide *all* funds each college would like to have to strengthen and expand its vocational-technical programs.

Hence, the need for *this* bill and *this* request for funds. Each campus in the community college system was asked by the Vice President's office to list vocational-technical program needs by priority. These priorities are as follows:

HONOLULU COMMUNITY COLLEGE

Priority
No.

Estimated
Annual Cost

1. *Adult Education Center*: Establishment of a new, special occupational training facility necessary specifically to meet the needs of disadvantaged from the Kalihi-

Priority No.	Estimated Annual Cost
Palama area. Center to focus on unskilled, unemployed, and immigrant workers who need upgrading of basic education and technical skills to improve job opportunities	\$150,000
2. <i>Human Services Program</i> : Present rapidly changing job market calls for use of para-professionals in many fields. Program will begin training for educational assistants (early childhood, elementary, vocational, business and secondary education), community workers, recreation aides, health aides, family day care assistants, library aides and other para-professionals in welfare, employment and law enforcement	\$150,000
3. <i>Manpower Survey Office</i> : Effective occupational planning requires specific and immediate data about: 1) Projected employment needs, 2) Technical skill requirements, and 3) Desirable attitudinal characteristics. Data will help planners phase out unnecessary programs, initiate new programs, and modify programs to accommodate changing needs.....	\$ 50,000
4. <i>Cooperative Education</i> : Expansion will provide greater opportunities for students to work in the community while studying at Honolulu Community College. Work assignments are directly related to students' courses of study. Present Auto Body Repair and Maintenance programs are highly successful. Added funding will provide for expansion into electronics, welding, automotive mechanic and aviation maintenance.....	\$ 50,000
TOTAL	<u>\$400,000</u>

KAPIOLANI COMMUNITY COLLEGE

Priority No.	Estimated Annual Cost
1. <i>Overall Equipment Facilities</i> : Modern and worn out equipment in vocational-technical education is essential; laboratory facilities for allied health programs .	\$300,000
2. <i>Open Remedial Laboratory (Math, Reading, Speech)</i> : Developmental skills program must be individualized; basic skills training to vocational training needs	\$ 20,000
3. <i>Adult Education</i> : Primarily for training and job-upgrading in business, food service, and health education for community members	\$ 30,000
4. <i>Distributive Education</i> : Sales, merchandising and hotel operations programs need expansion	\$ 25,000
5. <i>Individualized Instruction</i> : Instructional strategies in meeting students' diverse needs and abilities in the occupational programs warrant improvement.....	\$ 20,000
6. <i>Cooperative Education</i> : Expansion to enable more students to participate in planned and supervised vocational adaptation learning.....	\$ 50,000
TOTAL	<u>\$445,000</u>

LEEWARD COMMUNITY COLLEGE

Priority No.	Estimated Annual Cost
1. <i>Food Service Program</i> : Program approved, but funds not released. Amount to supplement liberal arts programs	\$ 50,000
2. <i>Drafting Technology</i> : Articulation on system-wide basis to be implemented	\$ 30,000
3. <i>Automotive Technology</i> : For expanding from full-time day to evening and weekend programs	\$ 30,000
4. <i>Marine Technology</i> : Newest program in Voc-Tech offerings at the College; acquisition and boat maintenance necessary	\$ 30,000
5. <i>Graphic Arts</i> : Graphic Arts program previously approved use of photo teaching lab in new Fine Arts building	\$ 45,000
6. <i>Horticulture</i> : Included in this facility will be a Horticulture program in third science building for which CIP funds have been appropriated	\$ 30,000
7. <i>Environmental Technology</i> : For additional general science courses to be offered in this new program	\$ 50,000
8. <i>Computer Training</i> : Modest growth in program expected; CIP funds to renovate existing facilities already earmarked	\$ 50,000
9. <i>Maintenance Technology</i> : A program planned using parts of previously established horticulture, marine, and automotive technology programs	\$ 45,000
10. <i>Pre-School Aides and Assistants</i> : To initiate this program already in the College's long-range plans	<u>\$ 30,000</u>
TOTAL	<u>\$390,000</u>

KAUAI COMMUNITY COLLEGE

Priority No.	Estimated Annual Cost
1. <i>Licensed Practical Nursing Program</i> : College presently has a Nursing Director funded by State; ongoing LPN program currently funded by MDTA funds — for which funding is uncertain. Needed urgently is funding for four instructional positions, educational supplies, and equipment and an initial supply of library books	\$ 60,000
2. <i>Replacement of Equipment in Business Education and Automotive Program</i> : Existing equipment in both programs needs modernization. In the Business Education, electronic display calculators, new typewriters and dictating equipment need to be purchased. In the Automotive Program, the Emission Control Program needs special equipment	\$ 16,500
3. <i>Development of Construction Technology Program</i> : Presently, KCC has carpentry program. A more comprehensive program including plumbing, electrical wiring, blueprint reading is anticipated. Welding program will also be developed and funding is necessary to include two sheet metal positions	\$ 50,000

Priority No.	Estimated Annual Cost
4. <i>Electronics Program</i> : Present program limited to electricity only. Envisioned program calls for expansion into electronics. Money is for purchasing necessary educational equipment for limited electronics courses	\$ <u>5,000</u>
TOTAL	\$ <u>131,500</u>

WINDWARD COMMUNITY COLLEGE

Priority No.	Estimated Annual Cost
1. <i>Vocational Exploration Courses Project</i> : To provide residents of Windward Oahu with opportunities to explore vocational interests prior to making a commitment to enroll in vocational programs offered at Windward or any other community college	\$ 50,000
2. <i>“Outreach” Vocational Courses Project</i> (Welding, Printing and Entertainment Programs): Expansion of these once offered at on-campus and off-campus locations in Kahaluu and Waikane in cooperation with the Kualoa-Heeia Ecumenical Youth Project (KEY). Previously affiliated with Castle High School, this community service program helps school dropouts and “disadvantaged” individuals help themselves achieve personal, educational and employment goals ...	\$ <u>20,000</u>
TOTAL	\$ <u>70,000</u>

MAUI COMMUNITY COLLEGE

Priority No.	Estimated Annual Cost
1. <i>Human Services, Police Science and Horticulture/Landscape Gardening Programs</i> : Much overdue and needed programs. Last one is becoming major field of employment for Maui and Molokai; numerous new positions now being established for trained workers at golf courses, hotels, housing developments, parks and nurseries.....	\$ 25,000
2. <i>Hotels and Tourism</i> : Implementation of a food service option as part of Hotel Operations program to meet Maui County manpower needs. This is part of MCC’s cooperative education program.....	\$ 6,000
3. <i>Molokai Extension Program</i> : To help meet training and re-training needs of workers on Molokai because of the cut back in pineapple industry	\$ 20,000
4. <i>Lanai and Hana Extension Program</i> : Expansion of present offerings to include minimal programming at Hana and Lanai. Residents of Hana and Lanai unable to go to MCC because of travel distance	\$ 10,000
5. <i>Experienced Individualized Instruction Specialist</i> : Needed for Learning Media Center staff to produce materials for effective vocational instruction	\$ 15,000
6. <i>Occupational Guidance and Counseling</i> : One counselor on staff necessary to provide special occupational and vocational information	\$ 12,000
7. <i>Replacement and Upgrading of Equipment</i> : Old equipment needs replacement. This priority was earlier deferred because of past lack of funds.	\$ 20,000

Priority No.	Estimated Annual Cost
8. <i>Administrator for Occupational Program:</i> Administrative position necessary to coordinate all MCC vocational and occupational programs	\$ 20,000
9. <i>Follow-up Studies:</i> Necessary to determine relationship between students' educational experiences and post-graduate status. Forecast of manpower needs of County also needed to determine direction of curriculum planning	<u>\$ 10,000</u>
TOTAL	<u>\$138,000</u>

HAWAII COMMUNITY COLLEGE

Priority No.	Estimated Annual Cost
1. <i>Replacement and Upgrading Equipment:</i> For Auto Mechanic, Electricity, Electronics, Machine Shop and Diesel Mechanics programs where equipment now used is out-dated	\$ 70,000
2. <i>Associate Degree Nursing Program:</i> Approved by Board of Regents, but funds are limited, and program is currently supported by existing resources. Program will enable students in nurses' aide and practical nurse to proceed to registered nursing and the degree (BS) if desired	\$ 50,000
3. <i>Public Service:</i> Demand for job upgrading by the construction trades has increased. Additional classes needed, not only in Hilo, but in Kona and Waimea. Apprentice and journeymen need to upgrade skills	<u>\$ 8,000</u>
TOTAL	\$128,000
GRAND TOTAL	<u>\$1,702,500</u>
(All Colleges)	

Your Committee notes that this list of priorities is **by campus**, and no attempt has been made to order them inter-campus. No trade-offs throughout the system of campuses have been entertained.

Vice President Melendy stated that the Community College system as a whole, however, continues to view post-secondary occupational education as "one of the high priorities." Enrollments have continued to rise and faculty members at colleges are working to keep training programs relevant to today's world of work. In short, they are aiming at a comprehensive vocational-technical **education**.

Your Committee, therefore, finds these projects, as submitted by the campuses, warrant fiscal consideration this Session. It recommends that the appropriation figure in this bill be \$1,702,500.

Your Committee on Higher Education is

in accord with the intent and purpose of **H. B. No. 74** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Carroll.

SCRep. No. 125

Legislative Management informing the House that **House Resolution Nos. 298 to 313, House Concurrent Resolution Nos. 74 to 79, and Standing Committee Report Nos. 126 to 134**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. No. 126 Higher Education on H. B. No. 664

The purpose of this bill is to facilitate

the development of a contractual arrangement between the University of Hawaii library and School of Medicine and the Hawaii Medical Library whereby University medical library acquisitions, including those financed by federal library grants authorized in connection with the School of Medicine from a two-year to a four-year institution, would be deposited at the Hawaii Medical Library for the use of all users of that library and whereby the Hawaii Medical Library would expand its operations to accommodate the educational requirements of faculty and students of the School of Medicine, with the University sharing the costs of such expanded operations.

Presently, the Hawaii Medical Library is housed in the Mable L. Smyth Memorial Building on the grounds of the Queen's Medical Center. Its services are available not only to the practicing physicians, but to interns and residents in training, student and graduate nurses, laboratory, operating room, X-ray and other technicians, public health personnel and students, community college students, veterinarians, the military, attorneys-at-law, social service workers, high school and college students, students in the School of Medicine at the University of Hawaii, other University of Hawaii faculty and college personnel, visiting professors in the various medical specialties, and others. Services are free to all persons in Hawaii having need of medical library facilities.

Your Committee heard testimony from Grover Batten, M.D., and Frank McDowell, M.D., members of the Board of Governors of the Hawaii Medical Library, Incorporated, who described the functions and funding of the Library. The Library is a non-profit educational institution chartered on February 12, 1945, under the name of Honolulu County Library. In 1964, the Library changed its name to Hawaii Medical Library, Incorporated. It services the entire Hawaii community and the Pacific Basin. Although practicing physicians account for only 45 percent of the usage of this Library, the physicians have voluntarily contributed 95 percent of the operating funds. No State funds are used in the Library's present operations. The only time State funds were used was in 1959, when \$175,000 was appropriated for the construction of the present physical building.

Stanley West, University of Hawaii Librarian, testified that in the medical professions, the flow of knowledge is great and ever-expanding. The storage of historic and current medical knowledge for physicians, students, and all others seeking medical information is, therefore, a continuing task. Because much current medical knowledge is made available through journals, Mr. West stressed the need for continuing appropriations.

Terence Rogers, the Dean of the four-year Medical School, presented testimony favoring the proposed contractual agreement in this bill.

Your Committee concurs with Dean Rogers' testimony and finds that having one central, well-equipped library is the most feasible solution for the State in providing for students of the University of Hawaii School of Medicine. The University's Hamilton Library does not have the extensive resources available at the Hawaii Medical Library. Furthermore, to supply Hamilton Library with a medical collection would be a monumental task which would duplicate, in part, what is already available at the Hawaii Medical Library. To have more than one library would be inefficient and uneconomical.

Your Committee thus recommends that the appropriation from the general revenues of the State of Hawaii be of \$500,000 for the 1973-1975 biennium.

Your Committee on Higher Education is in accord with the intent and purpose of **H. B. No. 664** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 127 Agriculture on **H. B. No. 71**

The original bill effects a moratorium on the rezoning of agricultural lands for the period July 1, 1973 through June 30, 1975. It provided for exceptions in cases required by public health and safety or upon showing of urgency for housing of full-time residents.

Upon testimony received at the hearing, it was revealed that a mandatory five-year review of the land use boundaries

and regulations was scheduled for completion by August of 1974 by the Land Use Commission. It is your Committee's view that the duration of the moratorium should be coterminous with such mandatory review and has effected such change in **H. D. 1**, by changing the date "June 30, 1975" to "August 31, 1974".

The original bill also restricted the moratorium effect to extend only to "rezoning", while it was your Committee's view that a more adequate treatment of the subject should include reference to both "land use classification changes by the land use commission" and "rezoning of agricultural lands to smaller lot sizes within an agricultural district... by the Counties". Accordingly, your Committee has effected such changes.

Your Committee notes that the original bill contemplated defining the size of acreages to be affected by such moratorium. However, it is your Committee's view that the moratorium should affect all acreages irrespective of size.

Your Committee on Agriculture is in accord with the objective of **H. B. No. 71** as amended herein to provide for a "creative pause" to evaluate new concepts and values suggested by the Central Oahu Planning Study and the Udall Study before major and new decisions are made on future growth. Your Committee recommends that it be referred to the Committee on Water, Land Use and Development in the form attached hereto as **H. B. No. 71, H. D. 1**.

Signed by all members of the Committee.

SCRep. No. 128 Agriculture on **H. B. No. 72**

The purpose of this bill is to make an appropriation for the establishment of statewide feed and grain storage facilities.

The livestock and poultry industries in the state need adequate warehousing facilities for both imported and locally produced feed and grain. The problem of maintaining adequate inventories of these necessities is critical because of Hawaii's geographic isolation and periodic disruptions of existing transportation systems. If the state is to increase its own production of livestock and poultry, it is

necessary that feed and grain be constantly available at the lowest possible price. The establishment of statewide storage facilities will work to this end by allowing the purchase of larger quantities at lower prices.

The Department of Agriculture strongly supports this bill and believes that these storage facilities are vital to the continued growth of livestock and poultry in Hawaii.

Your Committee notes that the original bill contemplated the fixing of a specific sum to be appropriated. It is your Committee's view that the sum of \$300,000 should be appropriated and has effected such change in **H. D. 1**.

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

Signed by all members of the Committee.

SCRep. No. 129 Agriculture on **H. B. No. 555**

The original bill sought to preserve agricultural lands, curtail urban sprawl and promote rational urban growth within the State by establishing agricultural preserves and by assessing agricultural lands on the basis of their value in agricultural use.

Your Committee notes that the modification of real property tax assessment procedures is being undertaken by other bills introduced and now before this Committee. It was your Committee's view that such modification would be better handled separately.

Your Committee has amended **H. B. No. 555** in the following respects:

(1) The title to the bill was changed by omitting the reference to modification of real property tax assessment procedures.

(2) The original draft provided that there will be no changes allowed upon the establishment of the agricultural preserve until the first five-year review by the Land Use Commission is held. As amended, the bill will allow such changes to be

initiated only by State and county agencies. The private property owner himself will not be permitted to initiate such changes. However, the ultimate decision to allow or disallow such changes rests with the State Land Use Commission as under the existing law.

(3) The issuance of special use permits within agricultural preserves was not permitted by the original draft. As amended, counties are allowed to approve special uses if they obtain the permission of the Land Use Commission.

(4) Changes in the boundary of any agricultural preserve was permitted only if in accord with the purposes of this Act by the original draft. As amended, changes are permitted if "reasonable."

(5) The original bill required the assessment of land in a permitted preserve at 50% of their value. As amended, agricultural preserve land is assessed at 70% of their value with all other land.

Your Committee on Agriculture is in accord with the intent and purpose of **H. B. No. 555**, as amended herein, and recommends that it be referred to the Committee on Water, Land Use and Development in the form attached hereto as **H. B. No. 555, H. D. 1**.

Signed by all members of the Committee.

SCRep. No. 130 Agriculture on H. R. No. 195

The purpose of this Resolution is to persuade government agencies and the community to retain Mikilua (Lualualei-Waianae) AG-2 zoning, and to preserve these and surrounding agricultural lands from further urban encroachment. These lands are among the last remaining areas on Oahu that are suitable for broadly diversified agriculture and are vitally needed for the increased agricultural production which will be required in the future.

Your Committee on Agriculture concurs with the intent and purpose of **H. R. No. 195** and recommends that it be referred to the Committee on Water, Land Use and Development.

Signed by all members of the Commit-

tee.

SCRep. No. 131 Agriculture on H. B. No. 968

The purpose of this bill is to amend Section 171-37, HRS, to allow lease terms for public lands used for intensive agriculture and pasture. Currently Section 171-37 limits leases to twenty-five or thirty-five years, except in the case of macadamia nut orchards which are limited to forty-five years.

Under the provisions of this bill, the terms for lease of public lands will be established at a maximum of thirty-five years except in cases where extra time is needed to amortize the cost of the lessee's improvements. In these cases, the lease may be extended to forty-five years.

It is the belief of this Committee that the extension of these leases will enable the lessee to arrange financing more easily and thus help to ensure the success of his venture using leased lands.

Your Committee on Agriculture is in accord with the intent and purpose of **H. B. No. 968** and recommends that it pass Second Reading and be referred to the Committee on Water, Land Use and Development.

Signed by all members of the Committee.

SCRep. No. 132 Higher Education on H. B. No. 163

The purpose of this bill is to transfer the Fishing Training Program from the Department of Education to the University of Hawaii system.

Your Committee finds that according to Dr. Shiro Amioka, Superintendent of Education, the Manpower Development Training section under which the Fishermen Training Program operated has been transferred to the University of Hawaii. It would naturally follow that Chapter 189, Part III, be amended by substituting "University of Hawaii" wherever "Department of Education" appears in the statute.

Your Committee also heard testimony from H. Brett Melendy, Vice President for Community Colleges, who pointed out

that a vehicle already exists to train fishermen for the industry—that is federal and state Manpower Training Program within the Community College system.

However, under Section 189-32 and Section 189-33 of the existing law, language is so restrictive that the transfer of the Fishing Training Program into the existing structure of the University of Hawaii's Manpower Training Program is difficult and not feasible. Also, the method of payment prescribed by Section 189-33 as it presently stands does not permit adequate flexibility to meet different forms of payment that may be required under different federal programs.

Thus, your Committee, upon consideration of this bill, recommends these amendments:

1. Section 1, paragraph 2, of the bill be amended to delete the entire last part of Section 1, beginning at "Actual training shall be aboard . . ."

2. Section 2, paragraph 2, of the bill on compensation be changed from "minimum" to "fair" in regard to weekly compensation. Also, "of \$56 per week" be deleted, and "to be determined by the Department of Labor and Industrial Relations" substituted, and the rest of Section 2 be deleted.

Your Committee also finds that the changes described immediately above should also be reflected in Section 189-34, Hawaii Revised Laws, and has effected the same by amending such section to read as follows:

1. "The Department of Labor and Industrial Relations will pay to each person who is enrolled in, and is a trainee under, the program provided for by this part a weekly compensation from the State Manpower Development, federal manpower funds, or such State funds available for this purpose."

Your Committee further recommends amending Section 189-35 to delete "other than the trainee's share of the catch, as provided by this part."

Your Committee on Higher Education is in accord with the intent and purpose of **H. B. No. 163**, as amended herein, and recommends that it pass Second Reading

in the form attached hereto as **H. B. No. 163, H. D. 1**, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Carroll.

SCRep. No. 133 Agriculture on H. C. R. No. 3

The purpose of this Concurrent Resolution is to request the Congress of the United States to enforce United States grade standards and establish significant duties and quotas on foreign pineapple imports and to seek more equitable treatment from foreign governments for Hawaiian pineapple in the world market. The objective of these actions would be to insure the continued viability of Hawaii's pineapple industry.

Your Committee on Agriculture concurs with the intent and purpose of **H. C. R. No. 3** and recommends its adoption.

Signed by all members of the Committee.

SCRep. No. 134 Agriculture on H. C. R. No. 4

The purpose of this Concurrent Resolution is to request the Mayors and the County Councils of Hawaii, Maui and Kauai to study and recommend: (1) means for seeking agricultural expansion on the neighbor islands; (2) a method for fairly determining those farming enterprises that need relocation; and, (3) incentives that will facilitate the relocation of such agricultural operations in the respective counties.

Your Committee finds that the original form of the Concurrent Resolution required clarification to better indicate the area of concern for which request is being made for assistance by the mayors and county councils of the various counties. Accordingly, an appropriate amendment was made to this end.

Your Committee on Agriculture concurs with the intent and purpose of **H. C. R. No. 4**, as amended herein, and recommends its adoption in the form attached hereto as **H. C. R. No. 4, H. D. 1**.

Signed by all members of the Committee.

SCRep. No. 135

Legislative Management informing the House that **House Resolution Nos. 314 to 325, House Concurrent Resolution Nos. 80 and 81, and Standing Committee Report Nos. 136 to 145,** have been printed and distributed.

Signed by all members of the Committee.

SCRep. No. 136 (Majority) Labor and Employment on H. B. No. 482

The purpose of this bill is to amend the unemployment compensation law by deleting those provisions which subject claimants who have left work to become homemakers to certain stringent requirements relating to their subsequent "availability for work".

Section 383-29 delineates the eligibility requirements for benefit claimants under the Hawaii Employment Security Law. One of the requirements is that a claimant be "able and available for work". Availability is normally determined on the basis of registration for work and statements of availability by claimants. A person who has left work to become a homemaker and subsequently files for benefits must show availability like all other claimants and in addition thereto must present some specific evidence of availability. Specific examples of the evidence required are: (a) "conditions which led to leaving work have terminated"; (b) "arrangements have been made for the care of the household by others"; (c) "conditions require the claimant's contribution to the economic support of the household"; or (d) "the claimant has had some work or made efforts to secure work".

The provisions of the law which require specific evidence of availability only of claimants who have left work because of marital obligations or approaching marriage discriminate against female claimants as homemakers in our society are mostly female. Your Committee agrees that Section 383-29 should be amended by the removal of the discriminatory language covering claimants who have left work to become homemakers.

Your Committee on Labor and Employment is in accord with the intent and purpose of **H. B. No. 482** and recommends

that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

Representative Ajifu did not concur.

SCRep. No. 137 Labor and Employment on H. B. No. 142

The purpose of this bill is to amend Section 386-95 of the Workmen's Compensation Law by shortening the period within which an employer is required to submit the initial report of an industrial injury to the department of labor and industrial relations.

Section 386-95 presently requires an employer to report the occurrence of an industrial injury within 15 days after he becomes aware of an industrial injury which causes absence from work for one day or more or which requires medical treatment beyond ordinary first aid. This bill proposes to shorten the reporting period from 15 days to 5 days.

Section 386-31 of the law, however, requires the payment of temporary total disability compensation in uncontroverted cases within 10 days after the employer has been notified of the occurrence of the total disability. As the reporting period is longer than the time within which benefit payments must begin in uncontroverted cases, insurance carriers find it difficult to comply with the law in instances where employers avail themselves of the full 15-day reporting period. The proposal to shorten the reporting period to 5 days would remove the foregoing incompatibility from the law and result in expedited benefit payments to injured workers.

At a public hearing conducted on the bill by your Committee, however, opinions were voiced that the proposed 5-day period would work an undue hardship at times. The Committee therefore recommends that the proposed reporting period be lengthened from 5 days to 7 working days and it has amended the bill accordingly. This would require prompt reporting but still give insurance carriers time to conduct investigations, if required, before commencing benefit payments.

Your Committee on Labor and Employment is in accord with the intent and

purpose of **H. B. No. 142, H. D. 1**, as amended herein, and recommends that it pass Third Reading in the form attached hereto as **H. B. No. 142, H. D. 2**.

Signed by all members of the Committee except Representative Wedemeyer.

SCRep. No. 138 Labor and Employment on H. B. No. 143

The purpose of this bill is to amend the Workmen's Compensation Law by:

1. Shortening the period within which a decision of the director of labor and industrial relations may be appealed to 10 days; and

2. Shortening the period within which the director may reopen a case after the issuance of his decision to allow the introduction of new evidence to 10 days.

Section 386-87 presently allows 30 days for the filing of appeals to the appeals board from decisions of the director and section 386-89 also allows 30 days after a decision for the reopening of cases to permit the introduction of new evidence. The director of labor and industrial relations has proposed that both 30-day periods be shortened to 10 days.

At a public hearing on this bill, the director informed your Committee that the 30-day appeal and reopening periods work to the disadvantage of claimants. As an example he cited a case where temporary total disability benefits are awarded to a claimant by the director and the employer files an appeal on the 30th day and requests a stay of payments. No payments of benefits are then made until the appellate board has conducted a hearing on the employer's motion for a stay of payments and made a determination thereon. This situation where benefit payments are delayed for more than a month would be alleviated to some extent by shortening the appeal and reopening periods because benefits would then become due at an earlier date.

Your Committee, however, is of the opinion that 10-day appeal and reopening periods might also work to the disadvantage of claimants. The shorter periods may not give parties sufficient time to effectively exercise their appeal and reopening rights under the law. Your Com-

mittee therefore recommends that 20-day appeal and reopening periods be provided and **H. B. No. 143** has been amended accordingly.

Your Committee on Labor and Employment is in accord with the intent and purpose of **H. B. No. 143**, as amended herein, and recommends that it pass Third Reading in the form attached hereto as **H. B. No. 143, H. D. 1**.

Signed by all members of the Committee.

SCRep. No. 139 Education on H. B. No. 160

The purpose of this bill is to amend section 297-6, Hawaii Revised Statutes, which relates to the maximum number of district superintendents appointable by the superintendent of education.

Your Committee received testimony from the Department of Education that the said statute now conflicts with Hawaii Revised Statute 298-17 which permits the department to designate school districts as it deems advisable. The department assured your Committee that **H. B. No. 160** would not give the department an open policy on the number of district superintendents they may desire. Any changes in organization would have to be approved by the governor and funded by the legislature.

Your Committee on Education is in accord with the intent and purpose of **H. B. No. 160** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 140 Education on H. B. No. 161

The purpose of this bill is to repeal the Hawaii Revised Statutes section 297-7 which states that all public high schools shall be presided over by principals or acting principals designated by the Department of Education and that principals and acting principals shall meet the department's certification requirements and shall have served as a teacher for a period of not less than five years of which one year must have been served as a teacher

or as an exchange principal in the schools of Hawaii.

The requirement that all public schools must have principals or acting principals restricts the department from considering more effective ways of operating public schools. For example, schools with small enrollments such as Koloa could be managed by a principal from a neighboring school with larger populace. The department believes that in the proper case the requirements of the section are too rigid and such matters should be left to its discretion.

Your Committee on Education is in accord with the intent and purpose of **H. B. No. 161** 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. 141 Education on H. B. No. 162

The purpose of this bill is to repeal Section 297-5 of the Hawaii Revised Statutes which allows any teacher who does not hold a certificate from the Department of Education but who has been employed by the department as a teacher for ten or more years, any five of which have been consecutive and was still so employed subsequent to September 1, 1959, to have the rights set forth in Section 297-10. The two sections permit the continued employment of such a teacher, provided that as an additional condition of the continued employment, the department may require that the teacher complete a program of professional improvement set by the department.

Testimony received by your Committee from the Department of Education indicates that the intent of Section 297-5 has long since been accomplished. The teachers who were affected by this law have been granted re-employment rights. This section of the law no longer serves any useful purpose.

Your Committee on Education is in accord with the intent and purpose of **H. B. No. 162** 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. 142 Finance on H. B. No. 1093

The purpose of this bill is to amend the statute prescribing certain disbursements payable to the members and secretary of the board of veterinary examiners in conformity with present practice.

In the following respects, deletions are made from Sec. 471-12, Hawaii Revised Statutes, for the following reasons:

1. All of subsection (b) providing that the secretary of the board shall receive a salary, as therein provided, is repealed. The board's secretary is no longer elected by it; rather an executive secretary is afforded through the department of regulatory agencies.

2. Correlatively, the provision that members shall serve without pay, except the secretary, contained in subsection (a) is amended to conform therewith by a deletion of the latter clause; and the qualification in said subsection that members, while performing duties away from their resident island, shall be paid \$10 per day and reimbursed for expenses, is modified by deleting the specified dollar amount. These provisions are referred to by a representative of the board as "obviously obsolete".

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 1093** 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 Yuen.

SCRep. No. 143 Finance on H. R. No. 68

The purpose of this resolution is to request that all provosts of the community colleges consider the feasibility of sponsoring seminars for the general public on new automobile equipment and repair, which would be provided at no charge or at minimal fees, and would utilize the resources of various automobile manufacturers' programs currently offered under ongoing programs.

Substantive matters related to the pro-

posed program and the means of its implementation are extensively discussed in **Stand. Com. Rep. No. 58** from your Committee on Higher Education. We received somewhat the same testimonies and, based thereupon, are in concurrence therewith: that innovations in automotive development has created a need for educating the public on new auto equipment and repairs. Implicit in the resolution also is the concept of continual upgrading of auto mechanics through in-service training, and which applies to community college instructors who must keep current on mechanical changes.

However, given current fiscal constraints, your Committee is concerned with instructional costs of conducting the kind of program contemplated. The Vice President for Community Colleges has suggested the exploration of existing resources that various automobile manufacturers have available for public use for in-service training and public education. From this, there can be developed at little or no cost to the State, some educational options to consider which are in keeping with the spirit of the resolution. Otherwise, should the program go beyond the express intent of the resolution, the instructional costs may range from \$20,000 to \$100,000, the latter figure including equipment costs.

For this reason, and because the Hawaii Automobile Dealers Association has represented to your Committee that it "would enthusiastically welcome an opportunity to participate in reaching the stated objectives of the resolution," we have amended this measure to include the resources of the Association, which the provosts are requested to consider utilizing. (See line 3, p. 2). If incidental costs should be incurred in any event, it is anticipated that the "minimal fee" assessed will accommodate such expenses.

Your Committee on Finance concurs with the intent and purpose of **H. R. No. 68**, as amended herein, and recommends its adoption in the form attached hereto as **H. R. No. 68, H. D. 1**.

Signed by all members of the Committee except Representative Yuen.

SCRep. No. 144 Finance on H. R. No. 119

The purpose of this resolution, as in-

roduced, is to request the Chancellor of the University of Hawaii, Manoa Campus, to report to the House of Representatives, not later than twenty days before the Regular Session of 1974, on the existing program for women with respect to competitive (intercollegiate and intramural) athletics and recreational athletics, and plans for expansion of the program, including athletic facilities, and the extent of accessibility of women to the athletic facilities.

Your Committee on Higher Education has heretofore extensively reported hereupon in **Stand. Com. Rep. No. 60**, with which we are in general agreement, and, therefore, which we shall not reiterate the substance of hereat.

However, we are specifically concerned with the cost of developing a women's varsity athletic program and the source of its funding. In the current fiscal year general fund support of intercollegiate athletics amounts to \$174,841 out of an estimated total income of \$1,144,233. Income projections for fiscal years 1973-74 and 1974-75 total \$1,185,656 and \$1,232,419, respectively, of which general fund appropriations of \$167,552 and \$169,692, respectively, have been requested. Of these sums, some \$5,000 in each year has been allocated to support the women's athletic program as it presently exists.

It is estimated by the director of athletics that the cost for the "reasonable development" of a women's varsity athletic program is as follows:

1973-74 — for volleyball, basketball, track and field and swimming	\$21,000
1974-75 — add golf, tennis, cross country and gymnastics	\$31,000
1975-76 — same as 1974-75	
1976-77 — add additional sports as needed	\$35,000

(Estimated costs do not reflect a percentage of administrative costs of wages and salaries of the entire athletic staff.)

Your Committee does not in advance of the report hereby requested recommend upon the source of funding, but it appears that there are three possibilities — and possibly four — for adequately financing a women's varsity athletic program without substantially impairing development of the

men's program: (1) General fund support through legislative action, (2) student body support by raising student fees, (3) assistance from the men's athletic program income by raising the price of student tickets to men's varsity basketball and football games, and (4) private contributions.

The athletic department functions upon the premise that the general fund appropriation to intercollegiate athletics carries with it a suggested responsibility to encourage and support intramural activities, the band, and the rally squad. It has been suggested by the director that a directive to give any realistic fiscal support out of the funds now being used for men's athletics to women's athletics would somewhat "slow down" the development of the men's varsity program.

A student-member of the Ad Hoc Advisory Committee on Women's Athletics, herself a young woman, testified to the effect of urging that the report hereby requested represent input from the female faction. The Committee, which was appointed by the Chancellor in the fall of 1972, is so representative, and being in accord with the suggestion, your Committee has amended the resolution to provide that the report be by the Chancellor "in cooperation with the Ad Hoc Advisory Committee on Women's Athletics...." This addition appears commencing at line 4 of the first paragraph hereby resolved. However, the Committee has not been added to the list of transmitters in the ensuing paragraph as separate copies are being sent to the Chancellor and the director of athletics in that capacity, but who is also chairman of the Committee.

Your Committee on Finance concurs with the intent and purpose of **H. R. No. 119**, as amended herein, and recommends its adoption in the form attached hereto as **H. R. No. 119, H. D. 1**.

Signed by all members of the Committee except Representative Yuen.

SCRep. No. 145 Parks, Fish and Game Management on H. B. No. 1874

The purpose of this bill is to authorize the Department of Land and Natural Resources to appoint fish and game agents, including fish and game agents on a voluntary basis and without pay.

Under existing law, the power to appoint regular and volunteer fish and game agents is not very clear. To clarify this ambiguity, it is proposed by this bill that such power be expressly granted to the Department of Land and Natural Resources.

Your Committee is in accord with the intent and purpose of **H. B. No. 1874** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 146

Legislative Management informing the House that **House Resolution Nos. 326 to 335, House Concurrent Resolution Nos. 82 to 84, and Standing Committee Report Nos. 147 to 152**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 147 (Majority) Education on H. B. No. 639

The purpose of this bill is to grant privileged communications to Outreach Counselors of the Department of Education as afforded to clergymen and physicians.

Your Committee on Education has completed hearings on **H. B. No. 639**. Current information on the Department of Education's Outreach Counseling Component, as incorporated in the Comprehensive School Alienation Program, is herein summarized:

(1) The Outreach Counselors, currently numbering thirty-six (36), provide intensive counseling services to the severely alienated students who are not relating to the regular school program.

(2) These counselors operate with flexible hours and at various sites where they can have the greatest access to the target group and maximum effectiveness dealing with their problems.

(3) The approach used by the Outreach Counselors focuses on assisting the students, as opposed to punishing or ostracizing them, by providing students with

alternatives for the alleviation of their problems. These counselors assume advocate and confident roles for the students.

Based on visitations and discussions with Outreach Counselors, students, and parents, your Committee finds that operationally these counselors have been significantly successful in working with the problemed students but that the current lack of legal protection for Outreach Counselors creates serious operational problems. Inherent to the counselor's success in reaching the students and developing constructive, positively oriented young people has been their ability to establish and maintain a relationship of trust and respect. This relationship of trust, of necessity, must be based on confidentiality. Without the expressed right of privileged communication, Outreach Counselors cannot effectively obtain vital information and contraband articles to ensure the safety of the child and others nor maintain confidentiality without threat of legal reprisals. The lack of this privilege is a restricting reality.

Exemplifying the detrimental effects of the existing laws to the Outreach Program efforts is the incident of the arrest of an Outreach Counselor for withholding information. In this case, based on mutual trust, the counselor was able to convince a youth to relinquish a dangerous weapon. Upon forwarding of this weapon to the police, the counselor was arrested for protecting the identity of the youth. Great damage could have resulted in the counselor's relationships with the specific youth and his peers had the trust been broken. Moreover, serious problems would undoubtedly occur within the community if these youths make themselves inaccessible to responsible adults.

Your Committee believes that the rehabilitation of problemed youths, the safety and security of our schools and communities and the protection of Outreach Counselors justify the favorable consideration of the bill.

Your Committee on Education is in accord with the intent and purpose of **H. B. No. 639** and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 148 Education on H. B. No. 660

The purpose of this bill is to amend Section 298-16 by permitting a teacher to use reasonable force to restrain a pupil from harming himself and others instead of the present policy which permits a teacher to administer reasonable punishment upon a student.

Testimony received by your Committee from the Emergency Service Committee, National Association of Social Workers, American Civil Liberties Union of Hawaii, students, and other community groups and members indicate that corporal punishment is ineffective as a means of correcting behavior. A report from the National Education Associations' Task force on Education found no evidence that hitting a child will make him behave. Children are likely to show surface deference after corporal punishment is rendered, but inwardly, they suffer mixed feelings of humiliation and bitterness. Corporal punishment is a means to deal with only the symptoms and not the cause.

Instead of making children more cooperative and compliant with school regulations, corporal punishment is likely to increase both their hostility and the behavioral problems which reflect this hostility. Physical punishment does not change behavior, but merely suppresses the punished's responses during the punishment period.

Your Committee emphatically endorses the proposition that a child who misbehaves should be disciplined, but it also is convinced that corporal punishment is definitely not an acceptable method of maintaining discipline in the classroom. If the Department of Education finds that there are many teachers and administrators who are unable to maintain discipline in the classroom, the department, perhaps, should conduct in-service training programs that will offer reasonable alternatives or techniques to corporal punishment.

Your Committee on Education is in accord with the intent and purpose of **H. B. No. 660** and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. No. 149 Higher Education on
H. B. No. 272

The purpose of this bill is to establish child care centers on or near the respective campuses of the University of Hawaii system in order to provide reasonable and adequate child care services for student-parents.

Children's centers presently serve pre-school children of students at selected campuses of the University of Hawaii. These centers provide child care services as well as permit parents to continue their education. The present bill provides for a definite personnel training component in such centers and an advisory council to determine policies and programs for these centers on or near selected campuses under the guidelines established by the University.

Your Committee heard testimony on the need for child care centers. The Manoa campus already has its own center with operations based at Manoa Valley Church. This arrangement is temporary, so the need to construct permanent facilities is great. Kristina Nielsen, Hawaii Federation of College Teachers Representative, supported the need for a child care center at Honolulu Community College. Student response at the College in November, 1972 showed at least 45 students would make use of such day care facilities. These students indicated that they have 67 children between the ages of two and five.

The need was also shown for adding a personnel training component to these centers, that is, offering an educational assistant or pre-school assistant program leading to an Associate degree. Walter P. S. Chun, Director of Community College Services, stated that personnel training can be considered a "proper function" of the University if implemented with child care centers. Honolulu Community College already provides an Associate Degree program for paraprofessionals in early childhood education. The center could also provide for a practicum facility for trainees and an opportunity for faculty to implement the newest techniques in pre-school programs.

Your Committee also heard testimony from Dr. Marion Kagan and Ms. Margaret M. Cole, private citizens; E. Michio

and Louise Bonner, Honolulu 4C Program, Community Coordinated Child Care Policy Committee chaired by Carlos Gonzales. All endorsed the need for such centers which perform child care, student service, and educational personnel training functions.

Upon considering this bill, your Committee recommends that several mandatory provisions be deleted. It is not essential for all campuses to run child care programs because not all can generate a sufficient number of children to maintain a self-supporting operation. Windward Community College, for example, has no authorization to start new programs, but intends to establish a pilot program, if approval is granted. Honolulu Community College lacks space for a center, but already has an educational assistants program, as previously noted.

Your Committee strongly endorses the implementation of an educational assistants or pre-school paraprofessional program as a necessary component of child care centers. These centers, we believe, do not function merely as "baby sitting services". Furthermore, we urge that contractual arrangements with agencies involved be kept flexible. A variety of human service agencies might be brought into various coordinated arrangements; all depends upon the kinds of personnel and methods of operating at each center. The contractor or central coordinating agency, however, remains the University of Hawaii system.

The funding of these programs also appears problematic. Figures from Mary Lou McPherson, Associate Specialist, Student Services, UH Manoa, furnished informally to your Committee, indicate that an approximate sum of \$359,000 may cover fiscal year 1973-1974 operations, with necessary breakdowns in construction, site development, equipment and furniture, supplies, staffing, and utilities, given present Manoa campus situation.* This total, it must be noted, is hypothetical and represents System-wide projected use.

These figures may be compared with those provided by Karen Kelly, Program Manager, Career Opportunities Program, Honolulu Community College. The College requested 15 positions and \$90,000 (\$6,000/position) for educational assistants. Still to be resolved are problems of

They may also be compared with a current and proposed budget submitted in testimony by Ms. M. M. Cole. According to these figures, there is a deficit in the present Manoa Campus located University Child Care Center of \$307 monthly, and her proposal is for a budget of \$2,332 a month. Ms. Cole also suggests that Federal and private funds be sought to supplement State funds to bring the Center to solvency.

Your Committee, therefore, recommends that the following amendments be made to the present bill:

1. Section 1 of the bill relating to the purpose of children's centers to provide a training component; also minor editorial changes in the statement of purpose.

*Suggested figures may also be found in Lois Fukuda's "Feasibility Study of a Day Care Center at the University of Hawaii," LRB Report B-7825, December, 1970.

2. Section 2 of the bill relating to subsection on contractual arrangements to provide such with any other licensed agency, and to provide for the acceptance of further funding from the federal and state sources. Sub-section relating to the advisory council to provide for such an advisor for the University.

3. Section 2 of the bill on general fund appropriations read \$350,000 for the 1973-1975 biennium, and renumbered as Section 3. Following sections renumbered accordingly.

Your Committee on Higher Education is in accord with the intent and purpose of **H. B. No. 272**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 272, H. D. 1** and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 150 Higher Education on **H. B. No. 823**

The purpose of this bill is to provide out of the general revenues of the State of Hawaii the sum of \$337,676 to be added to \$58,000 currently in the University of Hawaii Manoa budget for the biennium 1973-1975 for the continuation of the College Opportunity Program relating to a

summer and first-year residential college program for the disadvantaged beyond the period ending June 30, 1973. The bill calls for the amount to be expended by the University of Hawaii effective July 1, 1973.

The College Opportunities Program (COP) which began in June, 1970 is presently financed by the United States Department of Housing and Urban Development through the Model Cities program whose funding ends on June 30, 1973. COP was designed as a demonstration project to provide a residential college experience for selected students from the Model Neighborhood Areas of the State of Hawaii who would normally be inadmissible to the University because of educational, economic, or cultural barriers.

Your Committee heard numerous testimony demonstrating the success of the College Opportunities Program and strongly concurs with continuing COP as it has proven itself an effective and appropriate program. Your Committee also recommends that the University should commit itself to incorporating COP as a permanent, stable, and ongoing program.

Doris N. Bitner, present Program Coordinator of COP, testified on key points of the program, detailing points about the student recruitment and selection process, counseling and supportive service delivery system, and the campus resident requirement. Included in her testimony was data showing the program's effectiveness, a background analysis of the students and their performance in the program, and budget information. Selected details of her description are later elaborated. A. L. Ellingson, Dean of Students, concurred with the data and program analysis submitted by Ms. Bitner and added that the selection process and counseling developed and the curricular insights gained from COP are translatable into **general University use**.

Collette Machado, a third year student in COP, and James McCutcheon, first coordinator of the College Opportunities Program, attested to the importance of the on-campus residency requirement. It enables the student from home and community to avoid distractions and allows them greater contact with other students. Ms. Machado emphasized peer group relationships within the dormitories as a necessary aid to academic survival. Behavioral

Science Associates, a Los Angeles firm which conducted an evaluation of the program, confirmed the importance of the residency requirement and added that the summer program, an intensive nine-week orientation which is preparation for the freshman year, aids in the student's adaptation to academia.

Harlan Cleveland, President of the University, emphasized that the program promotes the concept of "ohana"—the spirit and practice of group support and encouragement through a cooperative, extended-family approach. This is basic to the program and to the Hawaiian style of family living. Michael Abe, speaking for the Associated Students of the University of Hawaii, endorsed the ohana spirit for which the program educates. Daniel W. Fullmer, professor of Educational Psychology, added that ohana both motivated and rewarded the helper. This is indeed so according to Ms. Machado and fellow student, Charles Kim. They said the program enabled them to see a positive future for themselves. They were inspired to work within communities and help others break similar socio-economic and educational

barriers.

Your Committee also heard from other officials such as Louis T. Stibbard, Education Supervisor, Hawaii Job Corps; RMC, James F. Swenson, Palama Settlement worker; and Dewey Allen, Acting Deputy Director, Office of Social Resources, City and County of Honolulu. They reinforced the descriptive testimony of Ms. Bitner and the broad, philosophical spirit presented by President Cleveland.

It is thus clear to your Committee that the College Opportunities program as presently operative warrants State commitment and funding.

Ms. Bitner provided the Committee with the following expenditures for the 1971-1972 year as background data (see Table I) and a proposed expenditure budget for the fiscal biennium 1973-1975 (see Table II). Your Committee points out the comparison between the per capita figure of \$2,464 per student for 71 students in 1971-1972, and the projected per capita figure of \$1,980 per student for 100 students in 1973-1974.

TABLE I **1971-1972**

Federal Funds	\$142,200
(Calendar Year Allotment)	
A. Personal Costs (including fringe benefits).....	\$ 51,048
Personal Costs Contracts (Consultant; Auditing)	8,800
1. Student Help	9,332
Includes staff assistants, friendly advisors, and office help.	
2. Stipends	38,407
B. Other Current Expenses	27,613
C. Administrative and Fiscal Charges	7,000
General Funds	\$ 32,000
(Fiscal Year Allotment)	
A. Personal Costs NR	10,620
Includes overload and Summer "Casuals"	
1. Student Needs	20,503
Includes Summer room and board, camping, rental supplement, tutoring needs.	
B. Other Current Expenses	877
Per Capita Cost: \$142,200 plus \$32,000 = \$174,200	
Divided by 71 Students = \$2,464 per.	

1973-1975 Request

In Current UHM Budget.....	\$ 58,000
In House Bill No. 823	<u>337,000</u>
 Total for Fiscal Years 1973-1975	 \$395,000

Per Capita Cost: \$198,000 for Fiscal Year 1973-1974
Divided by 100 Students = \$1,980 per.

TABLE II

	Fiscal Year 1973-1974		
	Current Services	Program Adjustment	Total
Personal Services*	\$ —	\$ 53,886	\$ 53,886
Non Regular Personal Services	2,777	19,604	22,381
Student Help	5,957	7,812	13,769
Other Current Expenses**	20,269	86,669	106,938
Equipment	—	1,025	1,025
Motor Vehicle	—	—	—
TOTAL	<u>\$29,003</u>	<u>\$168,996</u>	<u>\$197,999</u>

	Fiscal Year 1974-1975		
	Current Services	Program Adjustment	Total
Personal Services*	\$	\$ 55,170	\$ 55,170
Non Regular Personal Services	2,777	18,613	21,390
Student Help	5,957	7,914	13,871
Other Current Expenses**	20,269	86,983	107,252
Equipment	—	—	—
Motor Vehicle	—	—	—
TOTAL	<u>\$29,003</u>	<u>\$168,680</u>	<u>\$197,683</u>

	1973-1974	1974-1975
*Coordinator (1.00)	\$17,268	\$17,964
Counselor (1.00)	14,772	15,360
Assist. Counselor (1.00)	9,228	9,228
Stenographer III (1.00)	7,716	7,716
Graduate Assistant (.50)	4,902	4,902
TOTAL	<u>\$53,886</u>	<u>\$55,170</u>

**Includes —

Student Stipends	\$49,200	\$49,200
Other Student Fellowships	\$47,250	\$47,250

Your Committee recommends that the appropriation figure of \$337,000 requested by Director Bitner for the 1973-1975 biennium along with those monies currently in the University of Hawaii, Manoa budget totaling \$58,000 be appropriated. The total program cost is \$395,676 for fiscal years 1973-1975.

Your Committee feels it noteworthy and

important to draw attention to the Medical opportunities program presently in the University of Hawaii's Medical School called the Dean's Guest Program. Presently funded by the National Institute of Health, it provides an opportunity for the socio-economic and academically disadvantaged graduate to gain admission and succeed in professional educational careers.

Your Committee foresees at this point the need for similar programs in other professional fields. Present Law School program planners might take heed to aspects of both Dean's Guest and College Opportunity programs.

Your Committee on Higher Education is in accord with the intent and purpose of **H. B. No. 832** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 151 Higher Education on **H. B. No. 1065**

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii the sum of \$74,000 for the fiscal year 1973-1974 and \$60,000 for fiscal year 1974-1975, in order to continue the Nursing Education Program at Kauai Community College, Lihue, Kauai.

Present Situation

Your Committee received correspondence from John Duarte, Chairman of the Nursing Education Advisory Committee, stating that in the past four years the nursing program has been completely supported by Manpower Development and Training funds until this year when a qualified director's position was added. H. Brett Melendy, Vice President for Community Colleges, added that under the University's current budget guidelines, there would be no expansion of existing programs and no new programs. Thus, the LPN nursing program would have a qualified director, but no funds to continue the program.

Financial Benefits

The LPN program, however, has proven overwhelmingly successful and beneficial to Kauai's community, the State, and the nation:

1. 86% of all LPN graduates of the current program are employed on Kauai;

2. 100% of all LPN graduates from the program are either employed in Hawaii or have remained in Hawaii to be employed at some future date. Further financial information shows: \$225,944 per

year to Kauai economy; \$6,000 per year to Maui economy; \$30,546 per year to Federal Income Taxes; \$10,018 per year to Hawaii State Taxes; \$13,218 per year to FICA taxes; \$24,000 the State saved for some of the students' welfare assistance.

Equal Educational Opportunity

The LPN nursing program is not only financially beneficial, but broadens the University's philosophy of equal educational opportunity. Debbie Coombs, Director of Community Affairs for Fritz W. Forbes, indicated that "the community college program is the only adequate educational resource available to residents who cannot afford economic and family disruption caused when training can only be acquired on Oahu." Her statement was substantiated by Ollie Burkett when he stated, "often, even the most determined students and supportive family groups simply cannot shoulder the financial burden of 'off-island' education."

Your Committee believes that the Licensed Practical Nursing Training Program at the Kauai Community College exemplifies the intent and purpose of the community college concept in Hawaii. The contributions it has made to Kauai's health care program, economy, and the principle of educational opportunity support its continuance and expansion.

Associate Degree Program

Your Committee notes that a special feature of this bill is that it makes appropriations for an Associate Degree (A.D.) program. According to Provost Edward White of Kauai Community College, such a proposal for a two-year, degree-granting program has been reviewed by the State Board of Nursing and tentative approval secured. Mr. White emphasized the need for funding the A.D. program and further developing the LPN program.

Your Committee believes that this comprehensive development and funding of the nursing program at Kauai Community College, Lihue, as stipulated in this bill, is necessary because there is an urgent need for qualified nurses in the County — now and in future years.

Betty Bell, testifying for John Duarte of the Nursing Education Advisory Commit-

tee at Kauai Community College, informed your Committee that out of 78 registered nurses on Kauai, 31 were from the mainland, and there occurs a 40 percent turnover. This proves costly to the County and State. Furthermore, as earlier presented to your Committee in the Sixth Session (**H. B. No. 1862-72; S.C.R. 89-72**), mainland recruits need an orientation period to familiarize themselves with Hawaii's life styles. Differences in language and customs make it difficult for mainland nurses to understand the needs of local people. Recruitment thus far from Honolulu has been unsuccessful.

Ms. Bell also stated that the 18 Licensed Practical Nurses who did graduate from Kauai Community College in 1972 desire to continue their education, but there is presently no advanced program on the island. Hence, the need for the Associate Degree program and the total appropriation figure of \$134,000 for the nursing education program at Kauai Community College, Lihue, for the 1973-1974 biennium.

Your Committee further notes that **H. B. No. 74**, already referred to your Committee on Finance, contains a \$60,000 appropriation for the LPN program at Kauai Community College. This is in accord with the general shot-in-the-arm to vocational-technical programs throughout the Community College System. Vice President Melendy stressed in testimony on that bill that the Community Colleges continue to view post-secondary occupational education as one of their high priorities. The spirit of this statement might also be carried on to the nursing program on Kauai, in spite of financial constraints faced by the State. Your Committee on Higher Education, therefore, leaves it to your Committee on Finance to further deliberate these two bills.

Your Committee on Higher Education is in accord with the intent and purpose of **H. B. No. 1065** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 152 Higher Education on **H. R. No. 220**

The purpose of this resolution is to educate the members of the Higher Education

and Housing committees as to the problems and concerns of residents and businesses affected by the expansion of Honolulu Community College.

Your Committee on Higher Education heard different kinds of testimony at its hearing of March 8. In many ways, this hearing served the function of presenting various viewpoints on the "problem" of expansion at Honolulu Community College alluded to in this resolution.

Provost Clyde Yoshioka pointed out the need for expanding the College, citing increased enrollments for apprenticeship programs. The Trade-Technical building, one of the facilities affected by the resolution, is being planned to serve these programs. The facility will be built on land which citizens and residents claim would "displace" them.

Ms. Alice Kailewa, chairwoman of Kalihi-Palama Model Cities Association for Census Tract 57, the general area in question, testified that residents of the affected area were not against education or expansion of the College. When, however, expansion forces people to move from their homes, it seemed appropriate for them to protest through public statement.

Frederick Yee, also from the same Census Tract, saw the expansion problem as an issue of "land use." He described the industrial, residential, and business uses of land. He claimed that "his" Yick Lung company nearby would have to dismiss 37 employees residing in the area. Furthermore, he stated that these 37 include a "significant group" of handicapped workers who would be unable to secure employment elsewhere.

Your Committee wishes to point out that the issues raised in these claims represent aspects of State housing and land use problems now being deliberated by other Committees of the House. Your Committee on Higher Education acknowledges the fact that in this particular situation, the "problem" of expansion appears to be a problem of adequacy of communication between Community College personnel, residents of the area, and State agencies involved in land and planning negotiations.

We also wish to note that Ms. Kaleiwa, in particular, expressed hope that the College consider alternative methods of ex-

pansion. She requested that College personnel consult with residents in the near future. Provost Yoshioka expressed sympathy with the residents. He stated that the College appears to be caught on the horns of a dilemma. On the one hand, it is mandated to respond to the educational needs of its students; and by so doing, it “inadvertently places members of its community in jeopardy.”

Recognizing this dilemma, your Committee notes that discussions have been held between Honolulu Community College officials, residents of the census tract area, other interest groups, and the sponsor of this resolution. We hope that discussions like these and future public hearings on this resolution continue this dialogue.

Your Committee on Higher Education concurs with the intent and purpose of **H. R. No. 220** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 153

Legislative Management informing the House that **House Resolution Nos. 336 to 343**, **House Concurrent Resolution Nos. 85 to 87**, and **Standing Committee Report Nos. 154 to 161**, have been printed and distributed.

Signed by all members of the Committee except Representative Ajifu.

SCRep. No. 154 Parks, Fish and Game Management on **H. R. No. 241**

The purpose of this Resolution is to preserve in perpetuity a unique and final remnant of historical-educational experience for the people of Hawaii by obtaining the reclassification of the Heeia Fish Pond to conservation use by the Land Use Commission.

Several surrounding land areas proximate to the Heeia Fish Pond are presently classified for urban use, but such classifications were permitted by the Land Use Commission before the pond was placed on the National Register of Historic Places and before the full value of its unique significance had been appraised by the community.

In the accelerated pace of the life of modern Man, he has often overlooked his essential bonds with history, culture and biology, and permitted their destruction — only to mourn their loss upon subsequent reflection. Some things, however, like life itself, is irretrievable once it is lost. Your Committee attends the preservation of the Heeia Fish Pond with that sense of urgency and finality.

The value of Heeia Fish Pond is unique. Such value enmeshes educational, recreational, historical and biological considerations nowhere available. To begin with, it is one of only four ancient Hawaiian fish ponds left on the Island of Oahu. Among those remaining throughout the State, it is also among the largest and the best maintained.

Heeia Fish Pond has thus far survived with its ancient legends. According to the testimony offered by the staff of the Bishop Museum, it is indeed steeped in legend. Such testimony told of the pond's namesake, the handsome “Heeia”, the grandson of a demi-god who fell in love with “Kaohelo”, a younger sister of Goddess Pele. It also told of the pond's supernatural **kia'a loko** (caretaker), the **moo**, “Maheanu”, whose presence, it is said, is signaled by the periodic yellowing of the **hau** leaves on Luamoo, a small land adjacent to the pond.

Aside from legend, the Heeia Fish Pond also permits a rare opportunity to regain a glimpse of an ancient life style. The pond was built, maintained and harvested by the people under the ancient Hawaii collective work system. A fact that belies any effort to render it less than available to all common people. Its very structure harbors the unselfish spirit of a time long past, and offers Man a reflective pause to ponder the story of a noble people.

Finally, the Heeia Fish Pond is a uniquely specialized habitat with the finest mangrove preserve in the entire State. The worth of its botanical-zoological-historical-recreational value is of such extreme that the Department of Parks and Recreation of the City and County of Honolulu has planned its perpetuation as the “Heeia Kea Biological Garden”. What is contemplated is an unusual project featuring plant and animal collections of ocean and tropical tidal swamp environment. They are to be displayed in a recreational setting with

special emphasis on the ancient Hawaiian and modern Man's ecological relationship to the sea.

Such is the reason why the Heeia Fish Pond was placed on the National Register of Historic Places, and thus, among the nation's natural treasures. As envisioned, the "Heeia Kea Biological Garden" will preserve for the children of Hawaii that most important educational tool by which they might retain a permanent link with their natural and historical heritage.

Your Committee heard in testimony the story of how the requested change of classification from conservation to urban for the Heeia Fish Pond area was presented in 1969 to the Land Use Commission under somewhat unexpected circumstances which prevented adequate public attention and thoughtful public review. Your Committee understands that such request had been pursued in such manner by a developer for Bishop Estate lands, and that a private marina development is being projected.

Your Committee notes that the developer's testimony expressed the intent to retain only the "integrity of the fish pond wall" without a single reference to, or recognition of, those values that make its preservation essential. Nor is there any indication of any intent to avail those values in a meaningful educational setting for the common people. The developer merely urges that recreational (marina) needs be given precedence over the historical. In short, the developer's recreational offering to a few private purchasers necessarily threatens the destruction of all other considerations.

Your Committee cannot concur with the views of the developer and stands abhorred of the present prospects. We do not think that the private recreational whims of a wealthy few must shut off forever the vital concerns of the rest of the citizens of this State.

Turning now to the landowners — as the Trustees of Bishop Estate are the custodians of academic excellence in Hawaii and within their trust rests the preservation of the pride and worth of Hawaiian culture — it is difficult to believe that they have in full knowledge of the consequences willingly agreed to permit the eradication of this very vital object of

their stewardship. And yet, having permitted their developer to pursue the urban use classification, that is the appearance as it now stands before this Committee.

Your Committee finds the Trustees' position incredible as a project such as the Heeia Kea Biological Garden can only enhance the value of surrounding Bishop Estate lands and thereby enrich the assets of the Estate. To prevent the realization of this educational-recreational haven would seemingly mean the denial of such enhancement to the loss of the Estate — as well as a tragic loss for Hawaii's people incongruent with any sense of nobility and human excellence.

On the other hand, your Committee appreciates the possibility that the Trustees of Bishop Estate may have been most inadequately advised, or even purposefully beguiled, into permitting the present circumstance. If so, they may well welcome an opportunity to correct the situation and prevent what may be a serious cultural and environmental crime. Accordingly, your Committee has amended the original form of this Resolution to ensure receipt by the Trustees of Bishop Estate. This will give the Trustees an opportunity for more thoughtful reflection upon a subject that is an obvious part of their continuing search for educational excellence and means to further the heritage of the people.

Your Committee's attention was also brought to the fact that additional reference to the area "makai of Kam Highway" would provide more adequate description of the areas affected by the undesirable urban classification. The original form of the Resolution was amended also to reflect this correction as well as to add appropriate recipients of this Resolution.

In summary, your Committee is gravely concerned with the present prospects for the Heeia Kea Botanical Garden. Your Committee on Parks, Fish and Game Management concurs with the intent and purpose of **H. R. No. 241**, as amended herein, and recommends that it be referred to the Committee on Water, Land Use and Development, in the form attached hereto as **H. R. No. 241, H. D. 1**.

Signed by all members of the Committee except Representative Fong.

SCRep. No. 155 Higher Education on
H. B. No. 715

The purpose of this bill is to make an appropriation for the State to commission the design and creation of a statue of President Lyndon Baines Johnson to be placed in a suitable spot within the East-West Center complex.

Your Committee heard testimony from Everett Kleinjans, the Chancellor of the East-West Center, stating that "In April, 1959, while serving as Senate Majority Leader, Mr. Johnson introduced the concept of an International University in Hawaii 'as a meeting place . . . of the East and West.' Subsequently, he led the bipartisan drive in Washington for the enactment of Congressional legislation establishing on May 14, 1960, the East-West Center as a national educational institution 'to promote better relations and understanding between the United States and the nations of Asia and the Pacific . . .'"

Your Committee finds, further, that President Johnson was a true and exceptionally good friend to the people of Hawaii and that among the many achievements President Lyndon Baines Johnson gained for Hawaii's people was steering statehood for Hawaii through the Congress. It notes that, according to Kleinjans, the most appropriate place for such a statue would be in front of the new East-West Center Program Building, especially if it is named in his honor. No appropriation figure is presently available, but your Committee on Higher Education leaves this decision to your Committee on Finance, realizing fully the current State financial picture.

We note further that the State Foundation on Culture and the Arts will sponsor a contest and seek design proposals for the statue, thereby permitting public participation in this commemoration. The State Foundation will thus act as the commissioning agent.

Your Committee on Higher Education is in accord with the intent and purpose of **H. B. No. 715** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 156 Agriculture on **H. B. No. 1016**

The purpose of this bill is to preserve agricultural lands, curtail urban sprawl, and promote rational urban growth within the State by establishing a subclassification within an agricultural district known as an agricultural preserve, and by assessing agricultural lands on the basis of their value in agricultural use or as agricultural preserves.

Your Committee is aware of the problems of urban infringement of agricultural lands and the penalization of farmers who operate in urban fringe areas whose real property taxes are influenced by the highest and best use as affected by the surrounding uses of land. In order to promote more equitable treatment for farm operations, as well as encourage and maintain present farm operations, your Committee feels there is a need to amend the present tax assessment procedures and adjust the land use classifications to provide for those areas of marginal, as well as intensive agricultural use.

Consonant with the intent, the provisions of this bill would amend chapters 205, relating to the land use commission, and 246, relating to real property taxation, by establishing a land use subclassification designated as agricultural preserves and by granting real property tax relief to lands exclusively and intensively used for agriculture within such land use districts. Lands in agricultural preserves shall be lands so designated by the land use commission upon certain considerations set forth in the bill. Further, reclassification of agricultural preserves shall only be allowed upon the action of the land use commission.

Requirements regarding amendments to district boundaries have been added to provide for the submission of an environmental impact statement to the office of environmental quality control describing all factors relating to environmental impact and to provide for the maintenance of agricultural districts until reclassification by the land use commission. Further, there is added a provision to require the land use commission to review all agricultural districts in conjunction with and pursuant to its five-year boundary review.

The real property assessment on the

lands which are used exclusively and intensively for agriculture will be based on considerations such as rent, productivity, actual agricultural use, and opinions of persons knowledgeable in the area. The lands within the agricultural preserve shall be assessed at fifty per cent of the value of lands which are exclusively and intensively used for agriculture.

Your Committee feels that extensive amendments to the bill are needed in order to establish a more comprehensive approach to land use in the State. The title to the bill has been amended by omitting the portion reading "THROUGH THE ESTABLISHMENT OF AGRICULTURAL PRESERVES AND MODIFICATION OF REAL PROPERTY TAX ASSESSMENT PROCEDURES". Your Committee has included an amendment which would establish a new classification in the land use districts presently allowed by statute. In addition to the presently designated urban, rural, agricultural, and conservation districts, the amendment would allow the land use commission to establish a utility district. This district would include only those lands which are rated D or E or lower agricultural productivity on the detailed land classification map of the land study bureau of the University of Hawaii. Further, utility districts shall include only those activities or uses which are permitted in the agricultural or conservation districts.

A further amendment to the present bill is the establishment of a ten-acre minimum lot size for lots in agricultural districts and the prohibition of subdivisions of agricultural preserves except according to rules established by the land use commission.

In addition, special uses will be permitted in the newly designated utility district and a person will be allowed to petition for a special use permit within a conservation district, a provision which is not presently allowed.

Your Committee on Agriculture is in accord with the intent and purpose of **H. B. No. 1016**, as amended herein, and recommends its referral to the Committee on Water, Land Use and Development in the form attached hereto as **H. B. No. 1016, H. D. 1**.

Signed by all members of the Commit-

tee.

SCRep. No. 157 Water, Land Use and Development on H. R. No. 233

The purpose of this resolution is to direct State policies and objectives relating to the preservation of Hawaii's native forests.

The Division of Forestry of the Department of Land and Natural Resources is charged with the care, custody, control and regulation of all lands which may be set apart as forest reservations. This resolution specifies eight objectives to be incorporated into the program of the Division of Forestry.

Your Committee on Water, Land Use and Development concurs with the intent and purpose of **H. R. No. 233** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 158 Water, Land Use and Development on H. R. No. 52

The purpose of this resolution is to request the Department of Planning and Economic Development to conduct a study to determine the feasibility of a permanent site for the 50th State Fair, the location of such a site including the costs, and to report those findings 20 days prior to the convening of the 1974 legislative session.

At a public hearing on this resolution, your Committee was told a similar study was prepared by the State and submitted to the Legislature in 1961. The Department of Planning and Economic Development indicated that that study could be updated and that there is a need to evaluate the concept of government agencies sponsoring fairs.

The 50th State Fair Company, a joint venture of the Honolulu Jaycees and the Hawaii Farm Bureau Federation, volunteered assistance in the study. The company spokesman, citing the group's three decades of experience in conducting annual fairs, indicated government money could be saved by a cooperative effort in conducting the study.

Your Committee has amended the resolution to provide that the study be a

cooperative effort of the Department of Planning and Economic Development and the 50th State Fair Company.

Your Committee on Water, Land Use and Development concurs with the intent and purpose of **H. R. No. 52**, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as **H. R. No. 52, H. D. 1.**

Signed by all members of the Committee.

SCRep. No. 159 Transportation on **H. R. No. 125**

The purpose of this Resolution is to request the Department of Transportation to conduct a statewide study on runaway trucks.

The Department of Transportation agrees with the intent and purpose of the Resolution as the study may offer beneficial information to reduce the hazard of runaway trucks. The study will cover a wide spectrum of interests involving the expertise of other agencies. The title and resolved "clause" of the Resolution was therefore amended to provide that the study be conducted by a committee composed of representatives of the Department of Transportation, the State Highway Safety Coordinator, the Public Utilities Commission, the Police Departments of the counties, and the Trucking Industry and to be chaired by the State Highway Safety Coordinator.

Your Committee on Transportation concurs with the intent and purpose of **H. R. No. 125**, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as **H. R. No. 125, H. D. 1.**

Signed by all members of the Committee.

SCRep. No. 160 Transportation on **H. R. No. 132**

The purpose of this Resolution is to request the Department of Transportation to conduct a long-range study on technologies of transit facilities to link the islands of the state. With the advent of new technologies in transportation, many of the department's studies are outmoded and the agency fully supports the Resolution.

Your Committee on Transportation concurs with the intent and purpose of **H. R. No. 132** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 161 Agriculture on **H. R. No. 157**

The purpose of the original resolution was to request the Department of Health to refrain from assessing any fees for permits to burn agricultural trash until such time as the necessity for such fees could be established and the schedule for such fees could be submitted to the Legislature for its perusal.

Testimony received at the Committee on Agriculture's public hearing led the Committee members to decide that the original form of the resolution required amending. Your Committee believes that only fees which reflect actual costs involved with issuing the burning permits and conducting such supervision as is required to ensure compliance with the Department of Health Regulations covering agricultural burning should be allowed.

Your Committee has therefore changed the title of **H. R. No. 157** to read: "HOUSE RESOLUTION REQUESTING THE DEPARTMENT OF HEALTH TO ASSESS FEES FOR BURNING PERMITS THAT ARE BASED SOLELY UPON THE COSTS INCURRED TO ADMINISTER THE AGRICULTURAL BURNING PROGRAM," and has deleted the sixth "WHEREAS" clause and the original "BE IT RESOLVED" and "BE IT FURTHER RESOLVED" clauses and replaced them with the following clauses which clarify and better reflect the intent and purpose of the resolution:

WHEREAS, the assessment of fees for permits is limited by the expense of administering the regulations by the administrative agency with regulatory authority; now, therefore,

BE IT RESOLVED by the House of Representatives of the Seventh Legislature of the State of Hawaii, Regular Session of 1973, that the Director of the Department of Health establish fees for burning permits that are based solely upon the actual costs incurred to administer the issuance

of these permits and to supervise the agricultural burning; and

BE IT FURTHER RESOLVED that each application for an agriculture burning permit be accompanied by a filing fee that is non-refundable and may not be applied to any subsequent application as set forth below:

(1) Every applicant for a single-use burning permit, or a multiple-use permit, valid for less than six months, applicable to an area of less than 10 acres, shall pay a filing fee of \$2.00;

(2) Every applicant for a multiple-use permit valid for six months or longer and for more than 10 acres, but not more than 100 acres, shall pay a filing fee of \$20.00;

(3) Every applicant for a multiple-use permit valid for six months or longer and for more than 100 acres, shall pay a filing fee of \$40.00.

Your Committee on Agriculture concurs with the intent and purpose of **H. R. No. 157**, as amended herein, and recommends its referral to the Committee on Finance, in the form attached hereto as **H. R. No. 157, H. D. 1**.

Signed by all members of the Committee.

SCRep. 162

Legislative Management informing the House that **House Resolution Nos. 334 to 347**, **House Concurrent Resolution No. 88**, and **Standing Committee Report Nos. 163 to 173**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. No. 163 Judiciary on H. B. No. 29

The purpose of this bill is to amend Chapter 235, Hawaii Revised Statutes, by adding a new section which would allow taxpayers credit for political contributions; and by amending subsection (g) of section 235-7 to allow political contributions not in excess of \$100 or \$200 for a joint return as a deduction in computing taxable income. Subsection (g) is further amended to allow deduction of contributions up to \$50 (\$100 for joint returns) to a qualified candidate for an office elected by the voters of this

State or any organization, association or person attempting to influence the vote on an issue on the ballot. Persons electing to claim the deduction may not claim the credit.

Your Committee, having considered the bill, feels that the credit proposed is very similar to that allowed under the Internal Revenue Code. Your Committee has amended the deduction provisions to conform to the Internal Revenue Code. This is done so as not to further burden the Hawaii taxpayer with yet another set of rules and to further the legislative intent of Chapter 235 to conform the income tax law of the State as closely as may be with the Internal Revenue Code in order to simplify the filing of returns and minimize the taxpayer's burdens in complying with the income tax law.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 29**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 29, H. D. 1** and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 164 Housing on H. B. No. 94

The purpose of this Act is to maintain and increase the pool of apartment units with rents within the financial means of low and middle income persons.

The purpose would be accomplished by permitting owners of apartment units to dedicate their lands for the use of low and middle income persons under the Real Property Tax Law, Chapter 246, Hawaii Revised Statutes. Owners desiring to dedicate their lands petition the Director of Taxation who then requests the Hawaii Housing Authority to make a finding of fact on the suitability of the land for such purpose and the rent proposed to be charged. The Director of Taxation is required to approve petitions when the findings are favorable to owners.

Approved petitions declare the owners' lands are dedicated lands under the Real Property Tax Law. Dedicated lands are exempted from the general excise tax, Chapter 237, Hawaii Revised Statutes.

The dedication must be for a minimum period of five years and is automatically renewable indefinitely. Penalties are provided against owners violating the provisions of the Act.

Your Committee is in agreement that this Act is a necessary step toward preserving the pool of apartment rental units available at prices within the means of low and moderate income persons.

Your Committee has amended **H. B. No. 94** by deleting the word "of" from page 4, line 13, of the original bill for the reason that the word was a superfluous typographical error.

Your Committee is in accord with the intent and purpose of **H. B. No. 94** 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. 94, H. D. 1**.

Signed by all members of the Committee.

SCRep. No. 165 Housing on H. B. No. 1201

The purpose of this Act is to expand the pool of housing for low and middle income persons including the aged and students and faculty of institutions of higher learning.

The purpose is accomplished by adding a new section to Chapter 359G, Hawaii Revised Statutes, to authorize the Hawaii Housing Authority to assume control of or sell housing units developed by private developers where the projects were initiated independent of the Authority.

This Act sets forth several requirements a project must meet before the Authority can become involved with the project. These requirements are intended to insure that the project is being developed by qualified organizations, is environmentally and aesthetically sound, and does not violate existing laws.

Eligible projects must provide for economically integrated housing through stipulating that thirty percent of the units shall be sold for less than \$35,000, not less than thirty percent for \$35,000 to \$55,000, and the balance of the units at any price. The variously priced units shall be randomly

dispersed throughout a project horizontally, and if applicable, vertically.

This Act provides for the fee simple sale of units only to owner-occupants and includes a provision requiring owner-occupants desiring to sell their units to first offer them for sale back to the Authority at the original cost to the purchaser plus the value of improvements added by the purchaser and an allowance for the depreciation of the dollar.

This Act permits the Authority to exempt accepted projects from zoning and construction standards of governmental agencies provided that the project meets minimum standards of good design, pleasant amenities, health, safety, coordinated development, meets safety standards and tariffs approved by the public utilities commission for public utilities, and has been approved by the legislative body of the county in which the project is to be situated.

Your Committee is in accord with the intent and purpose of **H. B. No. 1201** and recommends that it pass second reading and be referred to the Committee on Water, Land Use and Development.

Signed by all members of the Committee.

SCRep. No. 166 (Majority) Housing on H. B. No. 1210

The purpose of this Act is to give the Hawaii Housing Authority more support to develop low-cost housing by increasing the percentage vote required for a county legislative body to disapprove rules and regulations promulgated under section 359G-4(b), Hawaii Revised Statutes from a majority to two-thirds. Similarly, section 359G-4(g), Hawaii Revised Statutes is amended to provide for a two-thirds vote instead of a majority vote of a county legislative body to disapprove an Authority project.

The result of these amendments will allow the Authority to by-pass existing zoning and construction standards for housing projects of the Authority unless the Authority's plans and specifications are disapproved by a two-thirds vote of the county legislative body.

Your Committee has amended the bill

by deleting in section 2 in the paragraph beginning "(g) Except as..." the following words and punctuation", on behalf of the state or in partnership with others,". The purpose of this amendment is to permit the State to use the exemption powers for other provisions of chapter 359G.

Your Committee is in accord with the intent and purpose of **H. B. No. 1210** as amended herein, and recommends that it pass second reading and be referred to the Committee on Judiciary in the form attached hereto as **H. B. No. 1210, H. D. 1.**

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

SCRep. No. 167 Housing on H. B. No. 1211

The purpose of this Act is to provide the Hawaii Housing Authority the staff needed to implement Act 105, Session Laws of Hawaii 1970, now incorporated into the Hawaii Revised Statutes as Chapter 359G.

The purpose of this Act is accomplished by amending Chapter 359G to permit the Authority to employ, subject to chapters 76, 77, and 78, in addition to designated staff "other individuals on a contractual basis".

This Act creates a contractual staff reserve fund to be used, subject to legislative appropriation, to employ contractual staff, provided that no contract shall be for a period longer than two years, and no individual shall be employed contractually beyond a maximum of six years.

This Act blankets existing Chapter 359G staff into the civil service whereas they were previously exempt from chapters 76, 77, and 78. It eliminates the requirement for gubernatorial consent of Authority staff appointments to Chapter 359G positions.

Your Committee on Housing is in accord with the intent and purpose of **H. B. No. 1211** and recommends that it pass second reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 168 Housing on H. B. No. 1213

The purpose of this Act is to amend chapters 356 and 359G, Hawaii Revised Statutes, to better reflect the State's need for adequate housing for low income families, the current conditions of the real estate market, and the anticipated directions of federal housing legislation.

This Act attains its purpose through several means. The Hawaii Housing Authority commissioners are increased from six to eight of whom six shall be public members appointed by the Governor with the consent of the Senate. Not more than three of the public members of the Commission shall be members of the same political party. Of the public members, two shall be appointed at large and one from each of the counties. The Director of Social Services and the Special Assistant for Housing appointed pursuant to section 359G-2 shall be ex-officio voting members.

The requirement that the Special Assistant for Housing shall be ex-officio chairman of the Commission is deleted and the Commission is authorized to select a chairman from among its members. Four commissioners shall constitute a quorum, whose affirmative vote shall be necessary for all actions by the Authority.

The Authority is given new power to acquire, by eminent domain, exchange, or negotiation, "land not needed for housing at the time of acquisition if it determines that the land will be needed for this purpose within the foreseeable future."

Section 359F-7 is amended to authorize the Authority to issue "short term project notes" in addition to general obligation bonds. Short term project notes are defined as "evidences of indebtedness issued by the State for specified housing projects and secured by such projects, the terms of which call for complete repayment by the State of the face amount in not less than two nor more than ten years." The ceiling of \$60,000,000 set in section 359G-7 is not changed by this Act.

The Director of Finance is authorized to sequester and separate the proceeds from sale of the bonds and notes into separate funds and may restrict use of the moneys in the general obligation bond fund "for use in authority projects which are receiving no assistance from the federal

government in the form of insurance, guarantee, subsidy or in any other form should such use endanger federal assistance.”

The buy-back provisions of section 359G-9 are amended to extend the period of buy-back from ten to twenty years “or for such lesser period as may be required under federal law if a mortgage on such unit is guaranteed, insured, or subsidized under federal law.”

The formula for determining the price to the Authority of a unit it is buying back is altered to read:

“... a price which shall equal the lesser of the original price at which the property was purchased from the authority plus the original cost of any additions, alterations or improvements made by the owner of the property since the date of the purchase, each of which shall be adjusted for the appreciation or depreciation of the dollar in accord with the consumer price index or the cost of living index as maintained by the United States Bureau of Labor Statistics...”

The Authority is empowered to specify, by regulation, the method of determining the original cost of additions, alterations, or improvements.

Your Committee is in accord with the intent and purpose of H. B. No. 1213 and recommends that it pass second reading and be referred to the Committee on Water, Land Use and Development.

Signed by all members of the Committee.

SCRep. 169 Judiciary on H. B. No. 18

The purpose of this bill is to provide newsmen's protection from having to reveal their confidential sources of information.

Your Committee held a hearing on this and other similar measures and heard from a number of persons, firms, and the like. Among them were the Honolulu Press Club, the Legislative Concerns Committee-Hawaii Council of Churches, the Honolulu Advertiser, the Honolulu Star-Bulletin, the American Civil Liberties Union of Hawaii, KGMB-AM-FM-TV, the Honolulu-Community Media Council, the Big Island Press Club, Hawaii Newspaper

Guild, and many others.

The consensus of persons testifying indicate strongly the need of some form of legislation which would protect newsmen from being required to disclose their sources of information to anyone, whether in government or not. It is urged that H. B. No. 18 is essentially a citizen's bill since it is through the news media that most of our citizens learn of the events of importance to them. That the newsmen's constitutional right to a confidential relationship with his source stems from the broad societal interest in a “full and free flow of information to the public”. Further, that the guarantee is not for the benefit of the press so much as the benefit of us all.

The United States Supreme Court, in its decision in the *Caldwell* case rendered in June, 1972, stated that “without some protection for seeking out news, freedom of the press could be eviscerated”. However, the Court went on to say “the First Amendment does not guarantee the press a constitutional right of special access to information not available to the public generally”.

Many state courts, including Hawaii since 1961 in *In re Goodfader*, have held that the First Amendment interest asserted by a newsman was outweighed by the general obligation of a citizen to appear before a grand jury or a trial, pursuant to a subpoena, and give what information he possesses.

Many states now, perhaps 17 or 18, have provided newsmen a statutory privilege. Your Committee feels that, in the interest of free flow of information to the public, some form of legislation is necessary to protect the acquisition of such information.

Your Committee concurs with the intent of the proposed measure.

After careful consideration, your Committee has made several changes to this measure. This “privilege” should not be held applicable in all instances. Your Committee wishes to make it expressly clear that the “privilege” is not that of the newsmen but that of the source. Should the source choose to disclose, he may do so. However, your Committee has also limited the privilege of the source, specifically, in any action for libel or slander. It is your Committee's belief that in this instance,

public policy outweighs the need for the privilege accorded in other instances.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 18**, as amended herein, and recommends that it pass Second Reading in the form attached as **H. B. No. 18, H. D. 1** and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 170 Judiciary on H. B. No. 311

The purpose of this bill is to establish a contractors recovery fund from which any person damaged by an act, representation, transaction, or conduct of a duly licensed contractor, violative of the provisions of chapter 444 of the Hawaii Revised Statutes or regulations promulgated pursuant thereto, to recover for such damages.

The provisions of this bill are patterned after the real estate recovery fund which presently indemnify victims of real estate brokers and salesman. Like the real estate recovery fund, the contractors recovery fund is financed by licensees and a single recovery is allowed, which is limited to actual damages suffered or \$10,000, whichever is less, provided, however, that the underlying dispute has been decided by a court of law. The bill further establishes period within which an action must be commenced, procedures to follow for recovery from the fund, management of the fund, the right of the contractors license board to be subrogated to the rights of the judgment creditor, and so forth.

Your Committee feels that this bill will give protection to homeowners and bona fide subcontractors not now available.

Your Committee has amended this bill in the following manner:

(1) On page 2, the section dealing with the statute of limitations, subsection (a), the first sentence has been amended to read:

“No action for a judgment which may subsequently result in an order for collection from the contractors recovery fund shall be commenced later than six years from the accrual of the cause of action thereon.”

This was done to conform the language to the Hawaii Rules of Civil Procedure, to provide consistency throughout this subsection, and to extend the period from “two” years to “six” years.

(2) On page 5, the word “paragraph” which appears on the last line has been substituted with “subsection”.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 311, H. D. 1**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 311, H. D. 2** and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 171 Judiciary on H. B. No. 355

The purpose of this bill is to provide some protection to a peace officer while in the performance of his duties.

Under existing law, a person may be subjected to life imprisonment without possibility of parole if he murders a peace officer while in the performance of his duties. Additionally, a person who intentionally obstructs, impairs, or hinders the enforcement of the penal law or the preservation of peace by a peace officer acting under color of his official authority, may be guilty of a misdemeanor. Sections 707-710 to 707-715 cover criminal assaults and related offenses. Assault in the first degree is a Class B felony and a person convicted therefor may be fined \$10,000 or imprisoned for 10 years.

This bill makes it a Class A felony to intentionally discharge a firearm at a peace officer while the officer is performing his duties, whether or not such action results in bodily injury to the peace officer. Conviction under this new offense may result in the maximum possible term of 20 years imprisonment. As used in this section your Committee understands the term “peace officer” to mean a police officer or a state or county guard employed in detention facilities.

Your Committee feels that this bill would aid those responsible for preserving law and order in the community and may act as a deterrent.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 355** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 172 Judiciary on H. B. No. 466

The purpose of this bill is to make certain technical changes to subsection (b) of Section 437-28 of the Hawaii Revised Statutes.

Your Committee notes that the word “percent” wherever it appears in subsection (b) has been amended to read **per cent**. Similar treatment was given to the phrase “twenty years of age” which was substituted by the words **age of majority**. The only other major changes were the changing of subparagraphs (F) and (G) to read **(E)** and **(F)**, respectively.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 466** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 173 Judiciary on H. B. No. 8

The purpose of this bill is to provide for the recovery of costs and reasonable attorney’s fees to any person in this State who brings an action seeking to enforce or clarify any constitutionally guaranteed right if the action is decided in the person’s favor.

Your Committee held a hearing on this measure at which representatives of the State, City & County of Honolulu, and American Civil Liberties Union of Hawaii testified.

Your Committee has made several changes to this bill. “Suit” wherever it appears has been substituted with “action” to conform the language to the Hawaii Rules of Civil Procedure. The type of actions which may be maintained under this bill has been defined to be “injunctive relief, prohibition, mandamus, or declaratory relief”. Further, the mandatory recovery should the person bringing the ac-

tion prevail has been changed to one within the court’s discretion. Moreover, such recovery is limited to all costs and “reasonable” attorney fees. Your Committee wishes to express that though the court has discretion, such discretion shall be construed such that equity, fairness and justice under the circumstances shall be done as to all parties concerned.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 8**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 8, H. D. 1** and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 174

Legislative Management informing the House that **House Resolution Nos. 348 to 353, House Concurrent Resolution Nos. 89 and 90, and Standing Committee Report Nos. 175 to 186**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. No. 175 (Majority) Tourism on H. B. No. 658

The purpose of this bill is to appropriate funds for the use of the temporary Hawaii Visitor Industry Council which was established by the Sixth Legislature of the State of Hawaii, Regular Session 1972, to coordinate and implement public policy for the visitor industry. The appropriation will be used to defray expenses of publishing the findings and recommendations of the Hawaii Visitor Industry Council.

Your Committee on Tourism is in accord with the intent and purpose of **H. B. No. 658** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

Representative Hapai did not concur.

SCRep. No. 176 Select Committee of Kauai Representatives on H. B. No. 2017

The purpose of this bill is to make appropriations for various capital improvements in the County of Kauai.

Your Select Committee of Kauai Representatives is in accord with the intent and purpose of **H. B. No. 2017** and recommends that it be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 177 Select Committee of Kauai Representatives on **H. B. No. 1290**

The purpose of this bill is to make appropriations for various capital improvements in the County of Kauai.

Your Select Committee of Kauai Representatives is in accord with the intent and purpose of **H. B. No. 1290** and recommends that it be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 178 Agriculture on **H. R. No. 176**

The purpose of this Resolution is to provide for the Public Utilities Commission to conduct an in-depth study to consider special or lower rates for the intrastate transportation of agricultural products.

According to testimony presented, your Committee finds that the interisland transportation system is probably the major single factor hampering the state administration's policy of population dispersal, as well as hindering the development of agricultural and nonagricultural industries in the State.

Your Committee further finds that the problem is not a simple matter of offering lower or special rates for agricultural commodities, but a restructuring of the transportation systems operating in the State and a need to find alternate means of transportation at lower rates in general.

Your Committee is in agreement with this Resolution, but recommends that its scope be broadened to include nonagricultural commodities and such issues as were noted in the paragraphs above. Because of the broadening of the scope of the

study, your Committee recommends that the designated agency to conduct the study be changed from the Public Utilities Commission to the Office of the Legislative Reference Bureau. Consequently, the following amendments have been made:

(a) The title has been amended to read: "HOUSE RESOLUTION REQUESTING THE OFFICE OF THE LEGISLATIVE REFERENCE BUREAU TO CONDUCT AN IN-DEPTH STUDY ON THE ESTABLISHMENT OF ALTERNATE MEANS OF TRANSPORTATION BETWEEN THE ISLANDS OF THE STATE".

(b) The body of the Resolution has been amended by adding a number of WHEREAS clauses to include nonagricultural products and references to the problem of population dispersal.

(c) Wherever the term "Public Utilities Commission" appeared, the term "Office of the Legislative Reference Bureau" has been substituted and provisions have been made to transmit the Resolution to the Director of the Office of the Legislative Reference Bureau.

Your Committee is in accord with the intent and purpose of **H. R. No. 176** as amended herein, and recommends its referral to the Committee on Finance in the form attached hereto as **H. R. 176, H. D. 1**.

Signed by all members of the Committee except Representative Ajifu.

SCRep. No. 179 Transportation on **H. B. No. 1381**

The purpose of this bill is to require the registered owner of a motor vehicle to notify the treasurer of any change of address or name of such owner. Your Committee believes that current information about the registered owner will be helpful in the administration of justice and will facilitate the renewal of registration by mail.

Your Committee on Transportation is in accord with the intent and purpose of **H. B. No. 1381** and recommends its passage on Second Reading and that it be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 180 Transportation on **H. B. No. 1382**

The purpose of this bill is to require licensed drivers to notify the examiner of drivers of any change in address or name of such driver. Your Committee believes the proposed law is desirable as it will expedite the administration of the licensing procedure.

Your Committee on Transportation is in accord with the intent and purpose of **H. B. No. 1382** 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. 181 Finance on **H. B. No. 41**

The purpose of this bill is to provide remedies for complaints by consumers against persons licensed or regulated by government boards.

As stated in **Stand. Com. Rep. No. 96** hereupon:

“The bill . . . provides that any public agency delegated to regulate a business or profession shall receive complaints by consumers against those persons regulated and take appropriate action. Your Committee [on Consumer Protection] believes that most agencies expressly or by implication are presently empowered to take such actions, but the handling of consumer complaints vary from agency to agency. The bill’s proposal expresses Legislative intent and mandates all agencies to treat complaints of consumers promptly and uniformly. It is believed that the requirements imposed do not constitute expansion items from a budgetary stand point.”

Your Committee concurs that the requirements imposed will unlikely perpetuate program expansion necessitating additional staff (albeit existing staff may be required to more industriously apply itself to the handling and accomplishment of the complaint procedures prescribed hereby). Therefore, the bill has been amended by striking out section 3 proposing an appropriation for the hiring of further personnel, a purpose which is not shown to be needed. Section 4, for consistency, has been renumbered section 3.

Your Committee has also substantially, although not substantively, further amended the bill as to statutory style and language. The mandate of receipt of complaints, the procedures for their disposition, and the relief and penalties provisions remain essentially intact, although in Sec. 92- (e) it has been provided in addition to informing the complainant when the subject matter is not within the jurisdiction of the board, he shall also be informed if it is found the charge does not constitute a violation.

Furthermore, because the bill amends chapter 92, in which the term “board” is defined (Sec. 92-1(1)) to include “agency”, the former has been substituted for the latter throughout. “Agency” is a chapter 91 term, wherein it is defined to include “board”.

Finally, because there are situations which arise wherein the “complainant” is other than a “consumer”, the former term has been substituted for the latter, where appropriate, throughout.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 41, H. D. 1**, as amended herein, and recommends that it pass second reading in the form attached hereto as **H. B. No. 41, H. D. 2**, and be placed on the calendar for third reading.

Signed by all members of the Committee except Representative Ajifu.

SCRep. No. 182 Finance on **H. B. No. 61**

The purpose of this bill is to amend existing laws by changing the title of the “Office of Consumer Protection” to the “Office of Consumer Affairs” so it will more properly reflect the duties and functions of the office.

According to its director, the purpose of the office is not appropriately described by use of the word “protection” because (1) the statute does not permit litigation of individual claims, and (2) the office is charged with many other responsibilities enumerated in chapter 487, such as conducting investigations, research, studies, and education programs.

Consistent with the change in title, sections throughout chapter 487 and other statutes relating to consumer protection

were also amended.

Concurrently your Committee received testimonies relating to **H. B. No. 41, H. D. 1**, entitled: "A BILL FOR AN ACT RELATING TO CONSUMER COMPLAINTS." At the hearing, the director of consumer [protection] affairs stated that the effect thereof would likely reduce the volume of complaints handled by the office concerning agency regulated businesses, thereby affording added time for performance of the functions and duties with which the office is charged.

Therefore, it follows that any proposal for an appropriation to hire additional staff in order to function as a public information office is unnecessary, particularly as that purpose is implicit in the statute as it presently provides. (See Sec. 487-5(3), (6), (7), (8) and (10)). Accordingly, your Committee has amended the bill by deleting therefrom section 4, and for the purpose of consistency, sections 5, 6 and 7 have been renumbered 4, 5 and 6, respectively.

Also, upon recommendation of the director, because he anticipates a requirement for lead time in which to effect the transition to the newly entitled office, the effective date of the bill was, by amendment, forestalled until January 1, 1974.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 61**, as amended herein, and recommends that it pass second reading in the form attached hereto as **H. B. No. 61, H. D. 1**, and be placed on the calendar for third reading.

Signed by all members of the Committee except Representative Ajifu.

SCRep. No. 183 Finance on H. B. No. 216

The purpose of this bill is to amend chapter 144, Hawaii Revised Statutes, (the Hawaii Feed Law of 1959) by repealing the statutory provision relating to inspection fees and amending the section granting the department of agriculture rulemaking power so as to include (1) providing for inspection fees, (2) providing for penalties for deficiencies of official samples, and (3) determining responsibilities and procedures for payment of fees and penalties.

Presently, Sec. 144-6 requires payments of registration and inspection fees which amount to about \$40,000 a year. The stat-

ute, however, does not specify as to who is responsible for paying such fees, and the department experiences difficulty from time to time in collecting fees owed to the State. It is, therefore, proposed that this provision, which prescribes specific rates, be repealed in its entirety, and to provide in Sec. 144-11 an amendment to allow the department to prescribe fees by regulation under the provisions of chapter 91.

It is also proposed that Sec. 144-11 be further amended to give the department authority to prescribe regulations with respect to providing for specific penalties for deficient feeds and to prescribe specific responsibilities for payment of registration and inspection fees.

As a result of these proposed amendments the department anticipates to institute a penalty-compliance incentive program as the basis for producers selling only good feed, but without net loss to the State.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 216** 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 Ajifu.

SCRep. No. 184 Finance on H. B. No. 954

The purpose of this bill is to update the statutory language and procedures relating to determination of real property tax rates.

Essentially a housekeeping measure, this bill amends subsection 248-2(b) which prescribes certain requirements for the adoption by the several counties of real property tax rates, such as the holding of public hearings and the deadline for the fixing thereof.

Throughout, the words "board" and "board of supervisors" are deleted wherever they appear, leaving only the word "council" to designate the legislative body of the county charged therewith.

Also, the word "resolution" is replaced throughout with the word "ordinance" as to the manner by which rates are adopted. This semantical substitution is commensurate with current county charter provisions specifying that "every legislative act of the council shall be by ordinance . . ."

and that "bills embracing . . . the imposition of a duty" require a series of readings. (See Honolulu Charter, Secs. 3-201, 3-202.7(c), as revised; Hawaii Charter Secs. 3-9, 3-11(c); Maui Charter, Secs. 4-1, 4-2; Kauai Charter, Secs. 4.01, 4.02A,F).

Although tax rates are traditionally adopted in the form of a resolution which must pass a prescribed succession of readings, it is provided that resolutions, generally, which require but one reading for adoption, are expressive of non-legislative acts, and that "no resolution shall have the force and effect of law." (See, e.g., Honolulu Charter, Secs. 3-201, 3-201.6, as revised). This change is intended to preclude the connotation of this type of resolution.

Your Committee has altered the introductory passage in Section 1 of the bill without substantive effect to the content thereof in conformity with present drafting practices.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 954**, as amended herein, and recommends that it pass second reading in the form attached hereto as **H. B. No. 954, H. D. 1**, and be placed on the calendar for third reading.

Signed by all members of the Committee except Representative Ajifu.

SCRep. No. 185 Finance on H. B. No. 1141

The purpose of this bill is to establish the unfunded accrued liability of the Employees' Retirement System at \$250 million as of July 1, 1971, and to provide for the systematic liquidation of the liability by level annual payments over the remainder of the period of fifty years beginning July 1, 1964.

Amended hereby as subsections (1), (2) and (3) of Sec. 88-122(a), Hawaii Revised Statutes, from which subsection (b) and (c) are deleted, all relating to the determination of employer normal cost and accrued liability contributions.

According to testimonies received by your Committee from the director of finance and the administrator of the Retirement System, the unfunded accrued liability as of July 1, 1971 was determined by the System's actuary to be approximately

\$250 million on the basis of a 4% interest assumption. Fixing the liability at that amount will facilitate the explanation and understanding of the method used to finance the Retirement System on an actuarial reserve basis. As with a mortgage, the liability will be amortized systematically by level annual payments, as compared with the present practice of making annual payments that vary based on the calculated amount of the liability which is adjusted annually to reflect actuarial gains or losses. After July 1, 1971, these actuarial gains or losses will result in a change in the normal cost contribution and will not be reflected in the amortization payment.

An immediate effect of the change will be a reduction of the employer appropriation requirements to the Retirement System for fiscal year 1973-74, representing a savings to the State of approximately \$966,700. This reduction will be possible because a larger portion of the total cost to be funded by future employer contributions would be met by amortization payments (over the next 43 years) rather than by normal contributions (over the next 20 years).

Fixing of the liability at the \$250 million figure will, however, result in an increase of total employer contributions to be made in the future, but when is uncertain. This is because a larger portion of the total present value of benefits will be funded later (by amortization payments over the next 43 years) rather than currently by higher normal cost contributions.

Actuarial gains or losses occurring after July 1, 1971, will affect only the normal cost contributions and not the unfunded accrued liability costs. Under the present statute, both are adjusted to reflect such gains or losses.

The unfunded accrued liability will be reduced by the same amount each year and like a mortgage, the decline in the amount of the principal (\$250 million) will be greater with each year, unless the Board of Trustees adjusts the amount of the liability. The bill provides that the Board may adjust the amount of the liability if there is a change in the actuarial assumptions or in the benefits.

Finally, we are told that this measure will greatly facilitate both the understanding and the explanation of the method used

to finance the Retirement System. Presently, it is difficult to explain why the unfunded accrued liability amount continues to increase rather than decrease even though it is being amortized in accordance with existing law, although this dilemma is probably attributable to inherent inaccuracies in the actuarial assumptions. Notwithstanding, your Committee has been assured that the System is sound with total assets exceeding \$500 million as against the unfunded accrued liability which this bill proposes to fix at \$250 million.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 1141** 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 Ajifu.

SCRep. No. 186 (Majority) Judiciary on **H. B. No. 11**

The purpose of this bill is to allow, in addition to the indeterminate term of imprisonment allowed under section 706-660, Hawaii Revised Statutes, an additional sentence to be imposed where a firearm was used in the commission of certain felonies.

Your Committee held a hearing on this bill at which testimony from the Honolulu Police Department was heard apprising your Committee of the fact that recently the presence of firearms at the scene of crimes has increased, greatly magnifying the problem of deadly violence in the community. It is quite evident that the possibility of serious fatal injuries is more prevalent when a firearm is present upon the commission of a crime.

Your Committee feels that, where a person has been convicted of either murder, assault in the first degree, kidnapping, or robbery in the first degree, and in the commission of any of these felonies, such person had in his possession and threatened its use or used such firearm, a greater sentence should be imposed. The commission of the above offenses are in and of themselves of a violent nature. Where such offense was committed and a firearm was used or threatened to be used manifests to a high degree disregard or total indifference to human life. Your Committee feels that the additional term may deter use of

a firearm in the commission of these crimes and that such additional term is necessary for the protection of the public.

Your Committee has made a couple of changes to this bill by increasing the additional term for first offenders from "not less than one nor more than three" to 5 years; and for any subsequent offenses using firearms an increase from "not less than two nor more than five" to 10 years. It is to be noted that the additional sentence is in addition and to run concurrent with the sentence imposed for the commission of the felony.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 11**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 11, H. D. 1** and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

Representative King did not concur.

Joint SCRep. 187 Consumer Protection, Judiciary and Finance on **H. B. No. 637**

The purpose of this bill is to amend the existing motor vehicle insurance laws as they relate to tort liability arising out of the maintenance or use of a motor vehicle with two primary objectives in mind: (1) insurance reform in order to (a) expedite the settling of all claims, (b) create a system of reparations for injuries and loss arising from motor vehicle accidents, (c) compensate these damages without regard to fault, and (d) modify tort liability for these accidents; and (2) to establish a system of reasonable cost of motor vehicle insurance with a view to reducing such cost.

Your Joint House Committees on Consumer Protection, Judiciary, and Finance (hereafter Committee) considered, along with this bill, all other proposed no-fault plans and have, where deemed feasible, incorporated them into this plan. Your Committee has made several changes to this bill and a brief summary, highlighting certain areas of the plan, as amended, follows:

Sec. 1 defines terms used throughout this bill. "Basic reparation insured" is defined as a person identified by name as an insured in a contract of basic reparation insurance provided for in the act. It also pro-

vides that a spouse, a relative, or a minor, **only** if residing in the same household with a named insured and not identified by name as an insured in any other contract of basic reparation insurance, is also a basic reparation insured. "Owner" means a person, other than a lienholder or secured party, who owns or has title to a motor vehicle or is entitled to the use and possession of a motor vehicle though subject to a security interest by another. It is your Committee's intent "owner" include leasing companies, U'drive companies and other similar organizations. A "motor vehicle" is defined as all motor vehicles required to be registered under Chapter 286, H.R.S., and includes a trailer.

Sec. 2 provides that every person suffering loss from injury arising out of maintenance or use of a motor vehicle has a right to basic reparation benefits, if the accident occurs in the State. However, if the accident causing injury occurs outside the State, basic reparation insureds and the driver and occupants of an insured vehicle are entitled to basic reparations benefits. It is the intent of your Committee that so long as a person is insured, he shall be covered under this plan no matter where the accident causing the injury occurs, limited however, to the territorial reaches of this plan.

Sec. 3 provides that basic reparation benefits are to be paid without regard to fault and that basic reparation insurers and the assigned claims plan shall pay basic reparation benefits as provided for in this Act for loss from injury arising out of maintenance or use of a motor vehicle.

Sec. 4 provides that the insurer shall pay the required basic reparation benefits for bodily injury sustained to the insured and all other occupants of the insured vehicle. Between two insured vehicles, victims not occupants sustaining bodily injury as a result of, cost of pay basic reparation benefits to be apportioned between the insurers of the vehicles involved. It is the intent of your Committee that any person injured by an insured vehicle, whether an occupant or non-occupant, shall be entitled to basic reparations benefits.

Sec. 5 abolishes tort liability with respect to accidents occurring in this state and arising from the ownership, maintenance or use of a motor vehicle, except in certain situations. For example, a person

who maintains or uses a motor vehicle with actual knowledge that it is not insured remains liable in tort. This is also true if a person is driving, with the owner's consent, an uninsured motor vehicle. A person can be sued if he intentionally causes harm to person or property. Liability of a person for punitive or exemplary damages is also retained. Similarly, a person will be held liable in tort for harm to any property, including motor vehicles. Damages for non-economic detriment (pain and suffering, inconvenience, physical injury or impairment and other nonpecuniary damage recoverable under tort law of this state) is recoverable under this Act. In order to maintain such an action the claimant must show that the amount in controversy exceeds \$5,000 (this amount being intended by your Committee to be a jurisdictional requirement, similar to the \$10,000 jurisdictional requirement in Federal Court diversity suits) and the accident causes any one of the following:

- 1) death, 2) serious permanent injury, 3) significant permanent disfigurement, 4) requires the injured person to be hospitalized for thirty or more days, 5) the complete inability of the injured person to work in an occupation for more than four months, or 6) the injured person to have exhausted his basic reparation benefits.

It is intended by your Committee that the terms "serious" and "significant" as they appear in 2) and 3) above mean an injury or disfigurement resulting in recoverable damages of more than \$5,000. Should a claimant be able to show he meets these requirements, then and only then can he maintain an action in tort. It should be noted that this section clearly limits a person's right to maintain a tort action, a concept or principle necessary in adopting any type of no-fault plan.

Sec. 6 establishes the reparation insurer's rights of reimbursement, subrogation and indemnity and delineates the extent to which these rights are assertable. Your Committee has amended subsection (a) to include "any medical, or accident and health insurer" preventing thereby such insurer from obtaining any rights or reimbursement or subrogation to the proceeds of a claim for relief or cause of action for noneconomic detriment of a recipient of benefits provided for under this chapter.

Sec. 7 establishes the requirement that

every owner of a motor vehicle required to be registered in this state be insured, except the State or Federal governments, in which instance the Act provides that these entities may provide insurance for the payment of basic reparation benefits. This section provides for self-insurance. It also requires that no insurer or self-insurer shall transact the business of motor vehicle insurance in the state unless it establishes and maintains at all times an office in the state to conduct the administration of its business and the handling of its claims. Further a vehicle may not be registered unless proof of insurance is furnished.

Sec. 8 establishes the duties of an owner of a motor vehicle required to be registered in the event the required insurance ceases to be maintained. If a person knowingly maintains or uses an uninsured motor vehicle and is injured in a motor vehicle accident, he is disqualified from receiving any benefits under this Act. If he dies, his survivors are also not entitled to basic reparation benefits. This section further provides that every policy of motor vehicle insurance shall be renewed automatically and shall not be cancelled except for non-payment of premiums. No motor vehicle insurance may be terminated except in compliance with the provisions of this section and leeway is provided between time of notification and revocation.

Sec. 9 provides that any contract purporting to do so contains the mandated basic reparation and liability coverages, regardless of the language in it. It also converts a foreign insurer's motor vehicle liability policy or contract for the coverages required under this Act if the insured vehicle is registered in this state or operated in this state with the owner's permission. However, this conversion aspect is limited solely to liability insurance and has no effect as to collision or comprehensive coverages.

Sec. 10 establishes the minimum tort liability insurance required as \$25,000 for bodily injury and \$10,000 for property damages, and the territorial area to which the liability coverages apply.

Sec. 11 provides that, in calculating net loss, benefits received or entitled to be received because of the injury from social security, workmen's compensation, and any medical or accident and health insurance

policy are to be subtracted.

Sec. 12 establishes the maximum aggregate limit payable to each person per accident. It is intended that all benefits payable to the victim be subject to a single limit of \$25,000. The maximum available to survivors, and if payments are made to the victim, and subsequently to his survivors, the total aggregate payment is limited to \$25,000.

Sec. 13 establishes standard weekly limit of \$200 for certain losses.

Sec. 14 provides for optional deductibles and exclusions. Included herein, is that a basic reparation insurer must offer at an appropriately reduced rate, a deductible, in the amount of \$1,000 per accident from all basic reparation benefits otherwise payable for injury to a person which occurs while he is operating or is a passenger on a two wheeled motor vehicle.

Sec. 15 provides that basic reparation benefits do not include benefits for harm to property.

Sec. 16 provides that every basic reparation insurer must offer optional added reparation coverages providing compensation for injury or harm arising from the ownership, maintenance, or use of a motor vehicle. In addition, such insurers must also offer optional coverages for physical damage to or loss of the insured motor vehicle and its contents resulting from collision and from theft, fire and other causes, without regard to fault or negligence.

Sec. 17 provides that the terms and conditions of contracts of insurance coverage sold or issued in this state providing motor vehicle tort liability insurance and the forms used are subject to approval and regulation by the insurance commissioner.

Sec. 18 states that persons who are entitled to basic reparations benefits because of injury covered by this chapter may obtain them through the assigned claims plan if they can show, among others, that the basic reparation insurer is insolvent, or that the basic reparation insurance applicable to the injury cannot be identified.

Sec. 19 requires formation by basic reparation insurers of an assigned claims bureau and an assigned claims plan. Should the insurers fail to do so organize or fail

to maintain it, the commission is given the power to organize and maintain an assigned claims bureau and an assigned claims plan. Sec. 18 specifies those persons entitled to basic reparation benefits from the assigned claims plan, and Sec. 20 sets the time for presenting claims under the assigned claims plan.

Sec. 21 and Sec. 22 prescribe certain instances in which an injured person or his survivors is disqualified from receiving basic or added reparation benefits. It is important to note that in Sec. 21, though the injured person is disqualified, if he dies, his survivors are entitled to basic or added reparation benefits. This is not true if the person is disqualified under Sec. 22. In that instance, his survivors are not entitled to any basic or added reparation benefits. Note also in any instance prescribed in Sec. 21, if there is an accomplice as defined in the Hawaii Penal Code, it is intended that he also be not entitled to basic reparation benefits.

Sec. 23 requires a reparation insurer to respond to a claim within a certain time. Delay in payments of basic reparation benefits are subject to 18% per annum penalty. Attorney's fees may be charged against the reparations insurer if overdue benefits are recorded in any action against it — Sec. 24. A reparation insurer may recover its attorney's fee for defending a claim for benefits that is fraudulent or unreasonably excessive.

Sec. 26 provides for procedures of settlement. Settlement agreements under this section may be modified or set aside if procured by fraud or its terms are unconscionable.

Sec. 27 provides that a person may obtain a judgment, lump sum or in installments, for basic reparation benefits that would accrue after the date of the award. As used in this context, the phrase "unascertainable or foreseeable" where a judgment is sought for future benefits, means those costs reasonably probable under the existing laws of this jurisdiction.

Disputed claims for basic reparation benefits may be resolved by court action and Sec. 28 sets special statute of limitations applicable to claims for basic and added reparation benefits.

Assignment of benefits for loss accruing in the future is generally unassignable

(Sec. 29); basic reparation benefits, except as otherwise provided, must be paid without deduction or offset (Sec. 30) and basic or added reparation benefits for allowable expenses are exempt from garnishment, attachment, execution, and any other process or claim, except from a creditor who has provided such products, services or accommodation (Sec. 31).

The Act provides discovery procedures in order to ascertain extent of the injuries to assure that information relevant to a claim is readily accessible so that benefits may be determined accurately and paid promptly while safeguarding the rights of all concerned (Sec. 32 and Sec. 33).

The Act provides that the insurance commissioner establish and implement an organized plan which will assure the ready availability to all consumers of necessary motor vehicle insurance coverages (Sec. 35). This is to insure that all reasonably needed and customary coverages will be conveniently and expeditiously available to all applicants, subject to the insurance requirements of this Act. The insurance commissioner is given broad powers to implement this plan.

Sec. 36 provides that an owner of a motor vehicle who operates or permits it to be operated in this state when he knows or should know that he has failed to comply with insurance requirements and any person who violates any of the provisions of this chapter is guilty of a misdemeanor.

The Act also provides a system for the allocation of burdens among insurers paying basic reparation or added benefits by allowing them to proportionate reimbursement from other insurers to assure that allocation of the financial burden of losses will be reasonably consistent with the propensities of different vehicles to affect probability and severity of injury to persons because the vehicles are of different weight or have different devices for the protection of occupants' other different characteristics, or different regular uses (Sec. 37). Your Committee has considered the problem of insurance rates with respect to motorcycles and commercial vehicles and recognizes and appreciates their concern and has provided that in any accident between a less than four wheel motor vehicle and a four wheel motor vehicle, the four wheel motor vehicle insurer must reimburse the insurer of the less than four wheel motor vehicle 75% of the basic reparation benefit paid by it. In an ac-

cident between four wheel motor vehicles, insurer of the vehicle 10,000 pounds or over must reimburse the insurer of the under 10,000 pounds motor 75% of the basic reparation benefit paid by it.

The Act mandates the insurance commissioner to establish the rates for the required insurance coverage and mandates a reduction of at least 15% in all rates for the first year of operation. Comparable combination insurance, as herein used, means bodily injury and property damage insurance in the amounts required in this Act. In the establishment of rates the insurance commissioner must consider loss experience of this and investment income of the insurers. Once the rate is established, any increase to be made can only be made after public hearing.

After the first year of operation and every year thereafter, the insurance commissioner is mandated to order insurers to rebate to policy holders any excessive profit realized by insurers from their operations. The initial rates will be subject to review by the Legislature March 1, 1975, and thereafter reviewed at least every two years. In addition, he is required to submit an annual report to the Legislature which report is to contain recommended changes to this chapter, loss experience of the insurers, information relating to consumer complaints and other pertinent information. By this command for a review, evaluation and report, it is intended that a disciplined effort be pursued by the insurance commissioner to effect efficiency and cost saving in the carrying out of the program by the insurers, ultimately reflecting in lower insurance premiums and improved services to the consumer.

The remaining sections (40 to 44) are merely formal in nature.

Your Committee has amended the title of this bill to read: "A BILL FOR AN ACT RELATING TO THE HAWAII MOTOR VEHICLE ACCIDENT REPARATIONS ACT." Your Committee has attempted to simplify this bill in order to make it readily understood by a layman. With that thought in mind, the word "insurance" has been substituted for "security," "insurer" for "obligor," "insured" for "secured" and other such words throughout.

Your Joint House Committees on Con-

sumer Protection, Judiciary, and Finance are in accord with the intent and purpose of **H. B. No. 637**, as amended herein, and recommend that it pass Second Reading in the form attached hereto as **H. B. No. 637, H. D. 1** and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Ajifu.

SCRep. No. 188 Judiciary on H. B. No. 22

The purpose of this bill is to amend the existing election laws regarding campaign expenses and place effective limits on campaign spending and expand the scope of public scrutiny relative to the financial aspects of the campaign process.

Your Committee favors the tightening of controls on the limits and manner of campaign spending and has, with such intent, worked a complete overhaul of the original bill.

First of all, the entire organizational scheme of the bill was rearranged to obtain a more logical presentation. Secondly, an attempt was made to clean up the language of the bill to permit easier reading. Finally, review of the provisions of the original bill with those of House Draft 1 indicates the following major features of the bill as amended.

1) Campaign Spending Commission. This bill establishes a five member commission to oversee the campaign process. Your Committee saw fit to define the respective duties of the commission and the chief election officer. The former scrutinizes the campaign and the latter runs the election. Specific duties were allocated along those lines.

2) Limitations On Campaign Spending. Your Committee has expanded the original bill to impose five dimensions of restrictions. The first is directed toward the types of expenditures that may be made. The second is directed toward overall limits that are not to be exceeded by the candidates. Such overall limits are differentiated by schedule among the different elective offices based on number of voters that must be reached. The third is directed toward media expenditures — an item that has had great influence on recent increases in campaign expenditures. The fourth is an aspect of restriction that is

imposed on the second and third, whereby the limits of expenditures are separated into two time periods — before and after the primary election. Finally, the fifth makes it clear that production costs of media expenses made in advance but used during the campaign period are allocable to the media spending limitations.

It is your Committee's view that this multi-dimensional coverage of this crucial subject matter provides more comprehensive limitations than under the original form of the bill.

3) Reporting Requirements. Your Committee has also expanded and established a comprehensive reporting procedure in the bill. As amended, the bill requires candidates, committees and parties to file an organizational report upon the initial organization of the campaign; preliminary reports reporting on contributions and expenditures ten days before the primary and general elections; a final report 20 days after the general election; and supplemental reports respecting such deficits and surpluses as there may be.

Your Committee feels that this systematic method of requiring reports of campaign expenditures permits an orderly way for the voters to keep scrutiny on the financial aspects of the campaign process.

4) Campaign treasurer. Your Committee appreciates the fact that successful control of campaign expenditure rests on allocating specific responsibility to specific persons respecting the filing of the required reports. This bill focuses that responsibility on the campaign treasurer, with the provision that every candidate, committee and party must appoint someone in that capacity. A candidate is permitted to appoint himself as campaign treasurer.

Also, in this connection, each report is required to be certified by the campaign treasurer, and is to be available for public inspection.

5) Investigation. The investigatory function is placed with the campaign spending commission. It is empowered to issue subpoenas for the production of documents and the attendance of witnesses. The commission is also required to adopt a code of fair campaign practices; establish rules and regulations; and initiate the prosecution of

any violation.

6) Prosecution. Your Committee was particularly concerned about the evident public confusion as to where jurisdiction and responsibility lay in the area of prosecution under the existing law. Your Committee felt that dual avenue for prosecution should be established permitting the avoidance of any conflict of interest that may arise between a prosecution agency and its appointive authority. The bill as amended makes it clear that it will be the campaign spending commission, and no other body with the exception of the courts, that will commence a prosecution. Such commencement is made by the commission requesting either the office of the attorney general or of the prosecuting attorney to conduct the prosecution.

7) 'Candidate'. The definition of candidate was expanded to include persons who make substantial effort toward amassing financial resources for a campaign prior to filing necessary papers. Under present law, a candidate can claim that he is technically not a candidate simply because he has not filed nomination papers, while for all practical purposes he is in fact making the most elaborate efforts toward ultimate election.

8) Transfer of funds between candidates. Your Committee was also concerned about transfer of funds between candidates. The original form of the bill was changed to make it clear that any such transfer is prohibited, but that it could not be illegal for a party to support more than one candidate or for more than one candidate seeking election to multiple office out of the same district to conduct joint campaigns.

9) Testimonial affairs. The subject matter of testimonial affairs was changed from the original form of the bill to include affairs that cost "more than \$15 per person", and to limit testimonial affairs to one per election campaign. Your Committee felt that a candidate faced with deficits after the general election should be able to hold an additional testimonial within six months after the general election in an effort to clear the deficits.

Finally, as previously indicated, your Committee has made many major amendments to the bill in an effort to achieve a comprehensive coverage of the campaign procedure and to permit public scrutiny of that procedure upon much expanded scope.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 22**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 22, H. D. 1** and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 189

Legislative Management informing the House that House Resolution Nos. 354 to 364, House Concurrent Resolution No. 91, and Standing Committee Report Nos. 190 to 211, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 190 Transportation on H. B. No. 464

The purpose of this bill is to permit the use of fuel taxes for bikeways for the state and counties.

At the public hearing held on the bill, there were many individuals and government agencies who supported the purpose of the bill. Your Committee is convinced that bikeways should be included, together with highways and mass transit systems, in the planning of the state-wide transportation, and your Committee is pleased that the officials charged with the responsibility of such planning are now recognizing the needs of all modes of transportation.

Your Committee on Transportation is in accord with the intent and purpose of **H. B. No. 464** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 191 Education on H. B. No. 390

The purpose of this bill is to establish a statewide security patrol which shall be charged with the prevention of on-campus vandalism, high-jacking, drug sales and use, and other similar activities inimical to academic and scholastic pursuits in the public schools.

Testimony given to this Committee indicates that after school hours are the ones most susceptible to vandalism and burg-

laries. Information compiled by the Department of Accounting and General Services show that public schools suffered a \$1,402,500 loss in equipment, building and cash through burglary and fire damage over the past three years.

Your Committee on Education is in accord with the intent and purpose of **H. B. No. 390** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 192 Higher Education on H. R. No. 217

The purpose of this resolution is to request the Department of Education, all the labor unions in the State, and the University of Hawaii system to evaluate present efforts to make their constituents aware of the history of labor in Hawaii, and to report the results to the Seventh Legislature no later than twenty days before the convening of the Regular Session of 1974.

Your Committee notes that in the past the **Department of Education, Labor Unions**, and the **University of Hawaii** have made independent efforts exposing this knowledge to its constituents. However, communication between these agencies is poor, thus making it difficult to provide comprehensive and accurate studies of labor history in Hawaii. These independent efforts in the order of your Committee's estimate of their **promise for future development** are:

1. Department of Education: Hawaii's labor history is handled within the context of social studies courses in the schools of the State. However, most teachers do not have Hawaiian labor history in their educational background, even if they are University of Hawaii graduates. This makes it difficult for them to cover the subject adequately. The teacher with initiative can, however, call upon the various labor unions for speakers. Thus, some students gain the benefit of this knowledge, and some don't, depending on their teacher.

2. Labor Unions: The various labor unions in Hawaii have worked independently of one another in order to relate labor history to their constituents and general public. John Witeck, student employee at **United Public Workers**, furnished infor-

mation to your Committee that showed their union has gone to some of the local high schools (e.g. Farrington, Leilehua, McKinley, Waianae) in order to reach students and inform them about labor history. He stated that through these contacts, students gained a sense of labor's role in Hawaiian history and gained valuable insight into how a labor union functions.

From Fredrick Lee, Contract Administrator, your Committee learned that the International Longshore Workers' Union has created a Speakers Bureau. It is made up of over a dozen rank and file members who speak to students and the general public on two subjects: a) ILWU (structure, function, purpose, etc., b) Labor history in Hawaii. The ILWU notifies all the teachers in the State that the speakers are available at any time, and that they also cover the neighbor islands. Mr. Lee further informed your Committee that there has been great interest shown in their visits to public and private schools and University of Hawaii campuses.

3. University of Hawaii: Dr. John B. Ferguson, Chairman of the Department of Management, Marketing, and Industrial Relations, University of Hawaii College of Business Administration, concurred with the resolution, but pointed out certain problems. He mentioned that the history of labor — whether here in Hawaii, or on the mainland — is discussed in labor-management courses at the University, but only when it is relevant. He illustrated by citing an instructor who discusses the advantages and disadvantages of tri-partite arbitration panels versus those of single arbitrations. There is no need in this case to point out Hawaiian labor history except as the instructor "feels" the need to. Dr. Ferguson noted that material on labor history in Hawaii is scarce, and this makes it difficult for professors to use local illustrations. When the subject of grievances is discussed as a subject area, an instructor may neglect to mention the local experience simply because there is no literature available.

Hawaii's tremendous growth and progress is due largely to its laboring people. Your Committee feels that the unique history of our working people should be recognized. Hawaii's labor history in various instructional programs would provide a comprehensive and more accurate picture of this rich history. The general public, members of labor unions, students in ele-

mentary, secondary, and higher education are not acquainted with this great struggle and would benefit by knowing more about the contribution of labor to the comfortable life styles we now enjoy.

Your Committee has been informed that the instructors and students of the Ethnic Studies Program have been engaged in obtaining information and material on labor history in Hawaii. Dr. Gary K. Busch, acting Director of the Center for Labor Management Education, College of Continuing Education, University of Hawaii, informed your Committee that two half-hour television specials on Hawaiian Labor history have been produced. He also revealed that a course outline planned by the Center, along with supplementary films and material, has been submitted to the Department of Education. William Abbott, of the Hawaii Federation of College Teachers, attested to this varied history by citing examples: The Kihei strike, the Filipino strike, which exploded into the Battle of Hanapepe.

With the growing wealth of information being made available and in order that Hawaii not lose this part of its history, your Committee recommends that the Department of Education, Labor Unions, and the University of Hawaii make a coordinated effort to provide more adequate comprehensive programs on Hawaii's labor history.

Your Committee also suggests that the feasibility of using the Ethnic Studies Program for labor history courses — especially on various immigrant groups — be investigated, and that this topic be introduced in developing the curriculum of the State's elementary and secondary schools in the Department of Education.

We recommend therefore that the general scope of **H. R. 217** be amended to include not only the University of Hawaii campuses, but the Department of Education as well as labor unions in the State. The whereas clauses have thus been appropriately reworded, and the intent and purpose of the be it resolved clauses amended accordingly. Your Committee on Higher Education hopes the report will focus on the **results of an evaluation** that is mutually collaborative, truly comprehensive, and furnishes some educational directives for all institutions involved.

No general fund appropriation figure is provided at the present time, and your Committee leaves this for the Committee on Finance, realizing fully the fiscal situation of the State during the current biennium.

Your Committee on Higher Education concurs with the intent and purpose of **H. R. No. 217**, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as **H. R. No. 217, H. D. 1**.

Signed by all members of the Committee.

SCRep. 193 Higher Education on H. B. No. 1102

The purpose of this bill is to make an appropriation of \$325,000 for the planning and construction of an agricultural research facility in North Kohala.

Over the past century, the prime use of Kohala land was assumed to be sugar production and processing; but termination of sugar operations in Kohala by 1974 places in jeopardy the future economy of the Kohala area including the viability of community life in the area. In order to generate employment and incomes, economically viable enterprises must be created to use the resources of land and labor that will be made idle by the termination of sugar operations.

To minimize the risk of errors in committing public and private capital to specific ends and yet to move promptly in shifting from sugar to economically viable alternatives, it was suggested by Dr. R. M. Bullock, Assistant Director of the Hawaii Agricultural Experiment Station, that the College of Tropical Agriculture undertake an intensive applied research and development program in Kohala.

Your Committee also heard testimony from Frederick C. Erskine, the Chairman of the Board of Agriculture, who stated that the Department of Agriculture strongly supports this bill, subject to availability of funds.

Your Committee on Higher Education is in accord with the intent and purpose of **H. B. No. 1102** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 194 Agriculture on H. B. No. 1749

The purpose of this bill is to initiate a study on the control of Souring Beetles, which are more commonly known as "pineapple bugs". Because of the large population of this species, they often constitute a nuisance in picnic areas, in homes and in public buildings.

The bill proposes an appropriation of \$45,500 for the study, experimentation and evaluation on the control of souring beetles as an alternative to control by chemical pesticides which appears prohibitive in terms of cost and the undesirable effects it may cause on the environment.

Your Committee appreciates the testimony of the College of Tropical Agriculture of the University of Hawaii to assist the Department of Agriculture in this endeavor. Your Committee requests both agencies to work in cooperative harmony to seek the solution to this nuisance.

Your Committee on Agriculture is in accord with the intent and purpose of **H. B. No. 1749** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ajifu.

SCRep. 195 Agriculture on H. B. No. 1482, H. D. 1

The purpose of this bill is to include fresh pineapples that are produced by or marketed through pineapple canneries among the agricultural products that the Department of Planning and Economic Development is responsible for including in its information program. This information program is directed toward the consuming public both in Hawaii and on the mainland, and is designed to acquaint the public with the commodities produced in Hawaii. Sugar, fresh pineapples and processed pineapple products, are presently excluded from this information program.

It is the belief of the Committee that as emphasis is placed on fresh pineapple as opposed to processed pineapple products and more acreage is being devoted to the raising of pineapple for the fresh fruit market, it is now necessary that fresh pine-

apple be included with the other agricultural products that are promoted by the Department of Planning and Economic Development.

Your Committee appreciates the concern relative to fresh pineapple and for that reason has detailed the same as indicated above. Your Committee feels that the Department of Planning and Economic Development should be given greater latitude to permit it to extend its helping hand to other prospective Hawaiian agricultural products. Your Committee has changed the original form of the bill in this regard. It is expected, however, that said department will work toward resolving this Committee's principal concern regarding fresh pineapples.

Your Committee on Agriculture is in accord with the intent and purpose of **H. B. No. 1482** and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1482, H. D. 1** and that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ajifu.

SCRep. 196 Agriculture on H. B. No. 1642

The purpose of this bill is to amend Section 246-32 (b), Hawaii Revised Statutes, to allow property that is owned, leased, or rented by non-profit agricultural cooperatives, as organized under Chapter 421, to be exempted from real property taxation.

Your Committee finds that the need for agricultural cooperatives is increasing as Hawaii struggles to gain agricultural self-sufficiency in many areas. The cooperative system makes it much easier for the farmer to market and sell his produce by providing him with storage, treatment, transportation and packaging. Thus, any assistance that is given to the agricultural cooperative will enable the cooperative to be of more assistance to the farmer.

Your Committee on Agriculture is in accord with the intent and purpose of **H. B. No. 1642** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ajifu.

SCRep. 197 Judiciary on H. B. No. 682

The purpose of this bill is to clarify the reference, in connection with disaster tax relief, to the words "tidal wave" used in sections 127-1, 127-10 and 234-1 of the Hawaii Revised Statutes.

Testimony heard by your Committee indicated that there had been temporary confusion on the construction of those words by the staff of the Department of Taxation in connection with wave damage caused along the shoreline of the Island of Hawaii during the occurrence of a storm in 1972. It was revealed that such confusion was resolved by the department's referral of the question to the Office of the Attorney General, who had informally advised that the words "tidal wave" should be given liberal construction and should be deemed to cover such events.

It is your Committee's view that such liberal construction is a desirable one, but rests on the whim of the Attorney General if no amendment is made to clarify the present law.

Your Committee also feels that the clarification provided by the original form of the bill and referring to "waves caused by high winds" does not adequately dispose of the problem. Accordingly, **H. B. No. 682** was amended to include disaster losses by all "ocean wave action."

Your Committee also changed the title of the bill to read "A BILL FOR AN ACT RELATING TO DISASTER RELIEF FOR VICTIMS OF WAVES."

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 682**, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as **H. B. No. 682, H. D. 1**.

Signed by all members of the Committee.

SCRep. 198 Judiciary on H. B. No. 185

The purpose of this bill is to establish a fee of \$5 for the initial issuance and renewal of a branch office license of an escrow depository; and a fee of \$3 for the reissuance of a license or endorsement of the change of business address on an escrow depository license.

Under the present statute, no provision

is made for any fee for a branch office license nor is there a requirement for the reissuance of a license when a business changes its business address.

Your Committee feels that these fees are reasonable and requiring the obtaining of a license for the establishment of a branch office of an escrow depository is not unreasonable. Further, that these additional requirements are reasonably necessary to effectively regulate this industry for the benefit of the general public.

Your Committee has made one change in this bill by adding before the word renewal "annual" to make clear the requirement of annually renewing of a branch office license.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 185**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. 185, H. D. 1** and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 199 Labor and Employment on H. B. No. 140

The purpose of this bill is to amend the Temporary Disability Insurance Law by:

1. Adding chiropractors and osteopaths to the category of persons authorized to certify a claimant's disability; and

2. Adding a new penalty provision to authorize the director of labor and industrial relations to fine a certifying person for failure to submit a certification of disability within 7 days of an examination and finding of disability.

Section 392-26 presently authorizes physicians, surgeons, dentists, and accredited faith-healing practitioners to certify the disabilities of claimants for temporary disability benefits. This bill proposes to also permit chiropractors and osteopaths to make certifications of disability.

Certain disabling conditions may properly be treated by a licensed chiropractor or osteopath, as well as by physicians and surgeons. Your Committee agrees with the director of labor and industrial relations

that in such cases there appears to be no valid reason for not permitting an attending chiropractor or osteopath to certify the disability of his patient.

At the public hearing conducted by your Committee, several naturopaths and optometrists urged that they be authorized to certify disabilities under the Temporary Disability Insurance Law. Your Committee was apprised that the Workmen's Compensation Law includes naturopaths and optometrists within its definition of "physician" and that they are authorized to furnish "medical care" to injured workers. Neither the director of labor and industrial relations nor the representative of the Board of Underwriters objected to the proposal advanced by the naturopaths and optometrists. The Committee therefore recommends that **H. B. No. 140** be amended to authorize a licensed naturopath or optometrist, as well as a licensed chiropractor or osteopath, to certify a claimant's disability and **H. B. No. 140** has been amended accordingly.

Section 392-26 now requires a certifying person to submit a certification of disability to a disabled employee within 7 days after the date he is examined and found disabled. It does not, however, contain a provision which penalizes a certifying person if he neglects to submit the required certification. The second proposal in this bill seeks to amend the section by adding a new provision which would vest discretionary authority in the director of labor and industrial relations to levy \$25 fines for delinquencies in certification. Your Committee agrees that a penalty provision would improve the administration of the law by encouraging the prompt submission of disability certifications upon which benefit payments depend.

Your Committee on Labor and Employment is in accord with the intent and purpose of **H. B. No. 140**, as amended herein, and recommends that it pass second reading in the form attached hereto as **H. B. No. 140, H. D. 1**, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Ajifu.

SCRep. 200 Labor and Employment on H. B. No. 141

The purpose of this bill is to amend the

Temporary Disability Insurance Law to make benefits payable for disability resulting from pregnancy or its termination.

Section 392-3 now defines "disability" to exclude disability caused by pregnancy, except where the pregnancy or its termination "produces complications resulting in sickness causing total disability". This bill proposes to amend the definition to include disability resulting from pregnancy, the termination of pregnancy, or complications resulting from pregnancy within its ambit and thereby make T.D.I. benefits payable for all pregnancy-related disability.

The Federal Equal Employment Opportunity Commission has ruled that a law or plan which treats disabilities resulting from pregnancy differently from other disabilities for benefit purposes does not comply with its guidelines for the enforcement of the Equal Employment Opportunity Act. This bill proposes to bring the Hawaii Temporary Disability Insurance Law into conformity with Federal legislation prohibiting discrimination in employment.

Your Committee agrees that discriminatory features should be removed from our laws. It further agrees that a law which discriminates in the payment of benefits for a disability on the basis of its pregnancy-related cause is also contrary to the spirit of the Equal Rights Amendment to the Constitution which was adopted by the legislature during the last session.

Your Committee on Labor and Employment is in accord with the intent and purpose of **H. B. No. 141** and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Ajifu.

SCRep. 201 Labor and Employment on H. B. No. 217

The purpose of this bill is to amend the Temporary Disability Insurance Law by lengthening the period within which a claimant may file an appeal from a denial of a claim or from an incorrect benefit payment.

Section 392-72 presently permits a claimant to file an appeal from a denial of a claim or from a payment of an incor-

rect benefit amount within 10 days from the date of denial or the date of payment of the disputed amount. This bill proposes to allow claimants 20 days for the filing of the appeals.

The director of labor and industrial relations in supporting this bill informed your Committee that the present 10-day period worked to the disadvantage of many claimants who failed to file timely appeals because of lack of knowledge, incapacitation, or other circumstances. Your committee agrees that the present appeal period may be too short, particularly because the law is relatively new and eligible claimants may not be generally familiar with its details.

Your Committee on Labor and Employment is in accord with the intent and purpose of **H. B. No. 217** and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Ajifu.

SCRep. 202 Labor and Employment on H. B. No. 219

The purpose of this bill is to amend the unemployment compensation law by making technical amendments and clarifying several ambiguous provisions.

Section 1 of the bill proposes to correct several typographical and technical errors in Section 383-7. No substantive change in the law is proposed by section 1.

Section 2 of the bill proposes to amend Section 383-62, covering contributions by employers to the unemployment compensation fund, by adding language to cover a situation when a non-profit organization terminates its election to be a self-financing employer and elects to contribute to the unemployment compensation fund. The section does not presently state how the former self-financing employer's contribution rate should then be determined. The bill proposes to treat it as a new employer for the purpose of determining its rate of contribution to the unemployment compensation fund.

Section 3 of the bill proposes to amend Section 383-65 to expressly state that the provisions on non-charging of extended benefits relate only to employers who con-

tribute to the unemployment compensation fund and that self-financing employers are required to reimburse the fund for that portion of extended benefit costs for their former employees which is not assumed by the federal government. This would effect no change in practice but would clearly state what is implicit in the law, that the non-charging provisions apply only to employers who make contributions to the fund.

Section 4 of the bill proposes to amend Section 383-168 in order to prevent duplication of benefits in cases where claimants may have received "additional benefits" from other states.

The proposals in this bill do not constitute significant substantive changes in the law as they are primarily technical and clarifying amendments to the law.

Your Committee on Labor and Employment is in accord with the intent and purpose of **H. B. No. 219** and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Ajifu.

SCRep. 203 Labor and Employment on **H. B. No. 220**

The purpose of this bill is to amend the Hawaii Employment Relations Act to make decisions and orders of the Hawaii Employment Relations Board in representation proceedings final and not subject to judicial review.

Section 377-5 of the Act presently permits a decision or order of the Hawaii Employment Relations Board in a representation proceeding to be appealed to the Circuit Court. Any party in interest may therefore delay the effect of a Board determination on a representation question by filing a petition for judicial review. A time-consuming court review, however, delays the collective bargaining process and the rights of interested parties, especially employees and their representatives, may be jeopardized thereby.

This bill proposes to amend Section 377-5 by deleting language which permits appeals and by adding language which would expressly make determinations on representation matters final. It would,

however, retain the right of parties to appeal to the Circuit Court in unfair labor practice cases.

The proposal is consistent with National Labor Relations Board practice and procedure as there is no direct judicial review of NLRB decisions in representation cases. It would eliminate undue delays in deciding such matters as appropriate bargaining units and eligibility of employees to vote in elections. Unless these matters are expeditiously determined, the right of employees to organize for collective bargaining and the policy of the Hawaii Employment Relations Act to foster industrial peace are both jeopardized.

Your Committee on Labor and Employment is in accord with the intent and purpose of **H. B. No. 220** and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Ajifu.

SCRep. 204 Labor and Employment on **H. B. No. 479**

The purpose of this bill is to repeal the pregnancy disqualification in the unemployment compensation law.

Section 383-30(7) presently disqualifies a woman from receiving unemployment compensation benefits during the four-month period before the anticipated birth of her child and during the two-month period after the birth of her child even though she may meet all of the benefit eligibility requirements under the law.

This bill proposes to delete the pregnancy disqualification from Section 383-30. The eligibility of claimants who are pregnant or who have recently given birth would be determined on the same basis with all other claimants. For example, if a woman is actually disabled for work because of pregnancy or childbirth, she would not be eligible for benefits as she would not meet the "able and available for work" eligibility requirement. If she is able and available for work, pregnancy or recent childbirth of itself would not disqualify her.

Your Committee agrees that the pregnancy disqualification discriminates against women and should be removed

from the law. The disqualification of female claimants for benefits solely on the basis of pregnancy or recent childbirth would also be contrary to the guidelines issued by the Federal Equal Employment Opportunity Commission for the enforcement of the Equal Employment Opportunity Act, Title VII of the Civil Rights Act.

Your Committee on Labor and Employment is in accord with the intent and purpose of **H. B. No. 479** and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Ajifu.

SCRep. 205 Labor and Employment on **H. B. No. 579**

The purpose of this bill is to repeal the pregnancy disqualification in the Additional Unemployment Compensation Law, Chapter 385 of Hawaii Revised Statutes.

Chapter 385 is a special unemployment compensation law which would become operative if natural or man-made disasters cause severe unemployment in the state. Section 385-7(6) would disqualify a woman from receiving benefits under this special law during the four-month period before the anticipated birth of her child and during the two-month period after the birth of her child even though she may meet all of the benefit eligibility requirements under the law.

This bill proposes to delete the pregnancy disqualification from Section 385-7. The benefit eligibility of claimants under the law who are pregnant or who have recently given birth would then be determined on the same basis with all other claimants. For example, if a woman is actually disabled for work because of pregnancy or childbirth she would not be eligible for benefits as she would not meet the "able and available for work" eligibility requirement. If she is able and available for work, pregnancy or recent childbirth of itself would not disqualify her for benefits.

Your Committee agrees that the pregnancy disqualification is a discriminatory feature of Chapter 385 and has no place in the law. It is also contrary to the Federal Equal Employment Opportunity Commission guidelines.

Your Committee on Labor and Employment is in accord with the intent and purpose of **H. B. No. 579** and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Ajifu.

SCRep. 206 Judiciary on **H. B. No. 470**

The purpose of this bill is to amend section 171-48, Hawaii Revised Statutes, so as to clearly indicate the legislative intent with regard to the requirements necessary to qualify to purchase or lease public lands for personal residential purposes.

Your Committee finds that houselots on public land are ready for disposition in several areas of the State but that no houselots have been released since September, 1972, because of differing interpretations of section 171-48(6) of the Hawaii Revised Statutes dealing with the qualifications of persons desiring to purchase such houselots. A temporary restraining order has been issued by the Second Circuit Court enjoining the Department of Land and Natural Resources from using affidavits which state that the purchaser did not own any land or lease any land for a term exceeding 20 years suitable for residential use in the State.

A request for clarification of the phrase "of land suitable for residential use" as contained in paragraph (6) of section 171-48 was sent to the Attorney General's Office. The Attorney General's office reviewed **Senate and House Conference Committee Reports 20-70** and **19**, respectively, and concluded that the above phrase referred only to land within the State.

Your Committee concurs with the amendment proposed by the Committee on Water, Land Use and Development which clearly indicates what it believes to be the legislative intent. Your Committee merely wishes to add that had the 1970 Legislature intended to limit "land suitable for residential use" to Hawaii it would have incorporated language similar to that found in section 171-75, Hawaii Revised Statutes, which reads in part as follows: "No person shall be qualified to take a residential lease under this part who, or whose husband or wife, or both of them:

***⁽²⁾ Owns other land in the State suitable for residential use; . . .”

Your Committee made a couple of minor technical changes to this bill by substituting for “eligible”, which appears in paragraphs (2) and (5) of section 171-48, the word “qualified” to conform to the language used throughout this chapter, and by deleting “of Hawaii” which appears in paragraph (6) as amended.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 470, H. D. 1**, as amended herein, and recommends that it pass Third Reading in the form attached hereto as **H. B. No. 470, H. D. 2**.

Signed by all members of the Committee.

SCRep. 207 (Majority) Judiciary on **H. B. No. 273**

The purpose of this bill is to allow government or private industry to prohibit the smoking of cigarettes or other tobacco products in any public building or places frequented by the public.

Your Committee held a hearing on this measure and heard testimony from the Hawaii Interagency Council on Smoking and Health, the Department of Health, and the Hawaii State Federation of Labor — AFL-CIO.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 273** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

Representative Lee did not concur.

SCRep. 208 Judiciary on **H. B. No. 357**

The purpose of this bill is to obtain the observance of Halloween “on the last Saturday in October.”

Your Committee takes notice of the fact that the observance of Halloween has been a source of joy for many, many generations of children throughout the nation. It is also appreciated that the usual observance of this day occurring on the last day of October does not always promote untrammelled happiness for the children, as

it is wont to fall on a week day, when children and parents both have the ensuing school day on the back of their minds.

Your Committee, upon reflection, feels that a Friday night would be more appropriate than Saturday night, giving the children two days rather than one, to regroup their emotional faculties for the horror, tediousness or the joy of school, as the case may be.

It should be observed that it is not your Committee’s intent to give or detract from any religious connotation as there may already be in the observance of Halloween. We are only interested in the sheer happiness of the children.

Accordingly, your Committee has amended the original form of the bill to reflect the discussed changes.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 357**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 357, H. D. 1**, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 209 Judiciary on **H. B. No. 493**

The purpose of this bill is to require the registration of lobbyists in order to make available to the legislature, and the public, information relative to the activities of persons who seek to influence the content, introduction, passage, or defeat of legislation.

Your Committee finds that this bill would add a new section to the Hawaii Revised Statutes which would require any person who engages himself for pay or other consideration to influence the passage or defeat of any legislation by the legislature or the approval or veto by the governor be registered. Any person falling within this category shall register with the clerk of each house, giving his name and address and the name and address of the person by whom he is employed or represents. A written authorization from such person shall also be filed by the lobbyist. Lobbyists must, under this bill, register each session.

Your Committee has amended this bill as follows: subsection (b) of the proposed bill has been deleted entirely and the paragraph following has been redesignated subsection (b).

It is not your Committee's intent to regulate lobbyists but merely to have them register and furnish the information required in subsection (a).

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 493**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 493, H. D. 1** and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 210 Judiciary on **H. B. No. 973**

The purpose of this bill is to simplify bonding requirements of new and used motor vehicle dealers.

Presently the law requires that all new motor vehicle dealers post a bond of \$25,000 (county population over 200,000) or \$ 3,000 (county population under 200,000) and used motor vehicle dealers, a bond of \$10,000 (county population over 200,000) or \$2,000 (county population under 200,000). The amendment proposed in this bill would require simply that all new motor vehicle dealers post a bond of \$25,000 and all used motor vehicle dealers, a bond of \$10,000. Hereafter, bond requirement shall depend on the classification of the motor vehicle dealer, without regard to county population.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 973** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 211 Judiciary on **H. B. No. 183**

The purpose of this bill is to amend Chapter 449, Hawaii Revised Statutes, by adding a new section which adds new licensing requirements for an escrow depository.

Your Committee held a hearing on this bill and after consideration concurs with the intent.

Your Committee has amended this bill as follows:

(1) Amending subsection (b) to require that the escrow depository need only notify the bank examiner in writing of its relocation;

(2) Amending subsection (c) to provide that the escrow depository may establish a branch office, but that the escrow depository must notify the bank examiner in writing within 30 days after establishment of such branch office; and

(3) Amending subsection (d) to require that the license be displayed in the place or places of business of the escrow depository. This is done to cover the branch office of the escrow depository as well.

Your Committee feels that these requirements are not unreasonable and establishes a means of keeping track of escrow depositories and its branch offices, if any. Your Committee feels these requirements are reasonably necessary for the safety and general welfare of the public.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 183**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 183, H. D. 1** and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 212

Legislative Management informing the House that **House Resolution Nos. 365 to 373, House Concurrent Resolution Nos. 92 and 93, and Standing Committee Report Nos. 213 to 237**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. No. 213 Education on **H. B. No. 161**

The purpose of this bill is to repeal the Hawaii Revised Statutes section 297-7

which states that all schools shall be presided over by principals or acting principals designated by the Department of Education and that principals and acting principals shall meet the department's certification requirements.

Your Committee feels that the requirement that all schools must be presided by a principal or an acting principal unduly restricts the department from considering more effective ways of operating public schools. For example, schools with small enrollment such as Eleele could be managed by a neighboring school with a larger populace. Your Committee, however, believes that while it is not necessary to have a principal for each school, any administrator should be required to conform to the existing certification requirements. The bill was so amended.

Your Committee on Education is in accord with the intent and purpose of **H. B. No. 161**, as amended herein, and recommends that it pass Third Reading in the form attached hereto as **H. B. No. 161, H. D. 1**.

Signed by all members of the Committee.

SCRep. No. 214 Education on H. B. No. 498

The purpose of this bill is to amend the Hawaii Revised Statutes which would allow the Department of Education to appoint at least one vice principal in every school.

Section 297-31 now allows the Department under special circumstances, to appoint a vice principal to a school which has less than 750 students, provided that appropriations are available. Testimony given your Committee indicates that the present formula of determining a vice principal is unrealistic. Many of the innovative special programs such as mentally educable, 3 on 2 and learning disability have increased faculty workload. To cope with these programs, we feel that administrators may need additional help to effectively manage these programs.

Your Committee, however, finds it also unrealistic to mandate a vice principal in every school. There are a number of schools whose current and projected enrollment is insufficient to justify a vice

principal. Accordingly, the bill was amended to permit the Department to make exceptions to the compulsory feature of the bill.

Your Committee on Education is in accord with the intent and purpose of **H. B. No. 498**, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as **H. B. No. 498, H. D. 1**.

Signed by all members of the Committee.

SCRep. No. 215 (Majority) Education on H. B. No. 270

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii \$25,000 to the Honolulu Youth Symphony to enable the organization to continue its program.

Testimony on this program dealt with the great need of students, especially on the neighbor islands, to receive cultural and aesthetic exposure. The opportunity to hear a symphony as well as to become aware of the actual instruments which create the concertive effect should be a part of a well-balanced education. The symphony is involved mainly in program-presentations on the neighbor islands and providing music scholarships for students needing financial aid.

Your Committee was advised that the bill incorrectly lists the organization as "Honolulu Youth Symphony" instead of Hawaii Youth Symphony. The bill was amended accordingly.

Your Committee on Education is in accord with the intent and purpose of **H. B. No. 270**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 270, H. D. 1** and be referred to the Committee on Finance.

Signed by all members of the Committee.

Representative Hapai did not concur.

SCRep. No. 216 (Majority) Education on H. B. No. 296

The purpose of this bill is to appropriate a certain sum out of the general revenues

of the State of Hawaii to underwrite the neighbor island tour expenses of the Honolulu Theatre for Youth.

The neighbor islands, because of their distance from Oahu, have depended heavily on tours from such programs such as the Honolulu Theatre for Youth for exposure to dramatic presentations. It is through the neighbor island tours that the Honolulu Theatre for Youth, an educational theatre, has been able to include nearly 90,000 neighbor island youngsters in their attempt to enlarge the scope of children's imagination and enrich classroom study.

Your Committee on Education is in accord with the intent and purpose of **H. B. No. 296** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

Representative Hapai did not concur.

SCRep. No. 217 (Majority) Education on H. B. No. 346

The purpose of this bill is to eliminate the inequities that exist between the salaries of the coaches and athletic directors of the various schools.

Presently, coaches and athletic directors are entitled to additional compensation in accordance with an approved supplemental schedule. The current schedule establishes minimum and maximum amounts that coaches in the different sports may be paid. The State's contribution is based on the minimum amount. Any additional supplemental compensation, up to the maximum amount, which should be paid to the coach is contingent upon the individual school's athletic fund. Unfortunately, amounts available in such funds are dependent on gate receipts and other fund raising activities, and the schools with small enrollments are not able to compete effectively with the larger schools.

The intent of this bill is not to amend the established supplemental schedule. The appropriation made by this bill will implement the schedule by enabling all schools to compensate their coaches and athletic directors at the permitted maximum level

thereby eliminating the unfair differences between schools.

Your Committee on Education is in accord with the intent and purpose of **H. B. No. 346**, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

Representative Hapai did not concur.

SCRep. No. 218 (Majority) Education on H. B. No. 640

The purpose of this bill is to appropriate \$100,000 or whatever sum necessary for the furtherance of culture and the arts by making a grant-in-aid to the Honolulu Symphony Association.

The Honolulu Symphony Association, comprised of the Honolulu Symphony Orchestra and the Hawaii Opera Theatre is the State's only professional group of this nature. Members of the symphony form the nucleus of outstanding instrumental teachers, and both the symphony and opera provide the best professional outlets for local talent.

Your Committee on Education is in accord with the intent and purpose of **H. B. No. 640** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

Representative Hapai did not concur.

SCRep. No. 219 Higher Education on H. B. No. 1151

The purpose of this bill is to appropriate the necessary additional monies out of the general revenues to the State Higher Education Loan Fund (SHELF) established by Act 230, S.L.H. 1969. The bill establishes guidelines to the repayment of loans and also provides for the University to spend out of SHELF up to one percent of the total amount of loans in force for the collection of repayments. In addition, all interest collected shall revert to and be credited to the loan fund.

Your Committee finds that since the

State Legislature established this SHELF program in 1969, approximately 2,700 loans have been awarded to nearly 2,000 individuals attending campuses in the University of Hawaii system by the end of the 1974 academic year. The number of these beneficiaries may change in accordance with tuition rates, whether it remains constant or increases. The total amount loaned or committed to date is approximately \$1,200,000, and the remaining balance is needed for the summer. Three separate appropriation measures for a total of \$1,250,000 have funded this program.

The fund has been of great assistance to a large number of students who could not qualify otherwise for any other kind of assistance. Many cannot qualify for the Federally funded aid programs because their personal and family assets are above the adjusted family means level set for Educational Opportunity Grants and National Defense Student Loans. The congressionally approved funds for these programs have not yet been released due to the intense conflict between Congress and the President over programs and funding in the area of student financial assistance. An estimated amount involving Manoa alone is about \$736,000. Congress

has not yet approved funding for the replacement program — the Basic Opportunity Grant. If these programs are not funded, or if State funding is delayed during the present Legislative Session, many students will face an economic crisis, and their future education may be seriously jeopardized. SHELF remains the only significant alternative.

Another great asset of SHELF is that it covers summer school expenses. Students who work part-time while in college frequently have to extend the number of years to obtain their degrees. The ability to attend summer school enables many to complete studies within four calendar years, even though the number of semester/sessions attended may be more than the standard eight. This allows students who work while going to school to complete degree programs as quickly as possible and in turn create more room for incoming freshmen.

The figures below depict a capitalization table which would become a revolving, self-sustaining loan fund, the original intent of the program. Assuming a capitalization value of \$5,000,000, the following chart can be derived:

Payment Number	Year	Amount Loaned Annually	Repayment	"Now" Money Needed
1	1970	\$500,000	\$	\$500,000
2	1971	\$500,000	\$	\$500,000
3	1972	\$500,000	\$	\$500,000
4	1973	\$500,000	\$	\$500,000
5	1974	\$500,000	\$	\$500,000
6	1975	\$500,000	\$ 50,000	\$450,000
7	1976	\$500,000	\$100,000	\$400,000
8	1977	\$500,000	\$150,000	\$350,000
9	1978	\$500,000	\$200,000	\$300,000
10	1979	\$500,000	\$250,000	\$250,000
11	1980	\$500,000	\$300,000	\$200,000
12	1981	\$500,000	\$350,000	\$150,000
13	1982	\$500,000	\$400,000	\$100,000
14	1983	\$500,000	\$450,000	\$ 50,000
15	1984	\$500,000	\$500,000	\$ —0—

At the present time, there is no appropriation infusing new money into the fund, and the total amount available to initiate new loans to students in the 1972-73 school year will be only \$35,000. With the average loan to a student being \$730, the allocated monies can only cover 48 loans in September, 1972, as opposed to

690 loans which have been granted for the previous year. An estimated 350 students currently under the aid of SHELF will lose this source of financial aid if additional funds are not appropriated.

Your Committee further notes 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. To stabilize such a loan program as the included chart describes would take about fourteen years, i.e., when repayment equals new loans. A period of five years would pass before repayment makes any substantial impact on the amount of new capital needed to maintain existing loan levels. Thus, in the fourteen-year creation cycle, the amount of new money needed annually begins to taper off after the fifth year, decreasing to zero in the fourteenth year. Recognizing the importance of this dynamic and meritorious program, your Committee hereby recommends that an additional appropriation of at least \$800,000 for SHELF. This is in accord with the \$736,000 figure Dean of Students Ellingson's testimony contained for Manoa alone. Your Committee also notes that this figure depends upon tuition policies now being deliberated by the University. According to Ellingson, approximately 600 loans of at least \$830 would be an average estimate of awards possible, if tuition is raised. If there is no tuition increase, the estimated number of loans would be 670.

Your Committee on Higher Education, therefore, leaves the \$500,000 figure in the present bill unamended, and leaves this final determination of the SHELF appropriation figure to your Committee on Finance.

Your Committee on Higher Education is in accord with the intent and purpose of **H. B. No. 1151**, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 220 Higher Education on H. B. No. 1550

The purpose of this bill is to transfer those amounts appropriated under Act 202, section 4 Session Laws of Hawaii 1972, in item C. 104a, for development of facilities at community hospitals for medical school purposes, from the University of Hawaii to the community hospitals that execute affiliation agreements with the University for such medical education purposes.

Under this bill, then, the total sum appropriated in 1972 for capital improvements for development of the University of Hawaii School of Medicine would be specifically divided as follows:

\$ 250,000 —	Land acquisitions and improvements at Leahi Hospital
1,550,000 —	Construction and renovation of community hospitals
<u>1,800,000</u>	Total

It is noted that this bill does not contemplate any additional capital improvement appropriation for the development of the medical school. The transfer of \$1,550,000 to the community hospitals that enter into affiliation agreements with the University for medical education purposes is appropriate; otherwise title to the construction and renovation of facilities at the several affiliated hospitals would remain with the University rather than be in the name of the several hospitals. It is further noted that to the extent the hospital construction and renovation costs are eligible for federal grants, in which cases the appropriated funds will match federal funds (20 percent State — 80 percent Federal), the actual federal grant awards are made to the hospitals, although the University prepared and coordinated the federal grant applications.

Your Committee on Higher Education is in accord with the intent and purpose of **H. B. No. 1550** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 221 Higher Education on H. B. No. 1743

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii for the acquisition of essential library equipment for Honolulu Community College, Oahu. The sum appropriated shall be expended by the University of Hawaii.

In testimony, Mrs. Violet Lai, Librarian at Honolulu Community College, reminded your Committee that the College will have a \$3.5 million library in 1974 (Act 155, 1969 Session). However, the

problem is that the equipment now available is not adequate for optimum use of the new library.

Several kind of equipment are essential — and are in special need of funding this Session — in order that the library open in 1974 as a multi-media learning resource center, the purpose for which it was originally conceived and designed.

These essential priorities were grouped by Mrs. Lai as chairs and carrel space and audio-visual equipment.

Chairs and Carrels

The new library at Honolulu Community College has presently been allotted 369 chairs which is room enough for only 9.8 percent of the current College enrollment. This situation poses two immediate problems.

1. The American Library Association says that a community college library should seat at least 25 percent of its en-

Calendar Year	Projected Enrollment	25% Enroll.
1974	3,754	938
1975	3,950	987
1976	4,100	1,025
1977	4,200	1,050

Mrs. Lai stressed that she has asked for only 14% seating of the enrollment because of the fiscal austerity of the State (see table above). Nevertheless, she feels this will increase book circulation so that accreditation will be assured and available study space improved.

Audio-Visual Equipment

Mrs. Lai and William Wiley, Director of the Honolulu Community College Instructional Resource Center, testified that 48 percent of the students at Honolulu Community College are disadvantaged students. A disadvantaged student according to Federal guidelines is one who:

1. Lives in public housing, or
2. Receives welfare or rehabilitation assistance, or

rollment. The Accreditation Commission of Junior Colleges has already "warned" the College that its circulation is very low, and according to Mrs. Lai's testimony, 166 additional chairs and 155 carrel spaces are needed to increase and facilitate library use. This is imperative, especially since the Accreditation Commission will be returning in April, 1974, to review the library's accreditation.

2. The need for more equipment is also urgent because the College is moving from a 70-30 vocational-technical liberal arts curriculum to a more balanced proportion of 50-50 in accord with community college goals of "comprehensiveness." The College will also be relieving the Manoa campus of the University of Hawaii system of many freshmen and sophomores, and according to Mrs. Lai, will take up an overflow of 700 students originally slated to enroll at the East Honolulu campus.

The following table describes the present predicament and Honolulu Community College's request:

# Chairs Allowed 369 = 9.8%	# Add'l Chairs Req. 166	Total Request 535 = 14%
# Carrels Allowed 228	# Add'l Carrels Req. 155	383

3. Has low family income (below \$5,000 annually), or

4. Uses English as a second language, or

5. Has poor high school preparation.

Mrs. Lai confirmed the fact that many disadvantaged students have severe reading problems. Hence, they must be taught via **multi-media**, which not only includes books, but also films, tapes, transparencies, slides and television.

Mrs. Iris Fukui, a mathematics instructor at the College, elaborated that a study was done in New York of ghetto and middle income children which indicated that the disadvantaged learn more rapidly through multi-media instructional approaches. Mr. Wiley stated that many of the College's instructors have been learning new techniques and developing

multi-media materials for their students. Gloria Hopper, a reading teacher at the College, reported that she has seen some students gain as many as three years of reading ability in one year when tachistoscopes and other electronic devices are used.

The audio-visual equipment in this Honolulu Community College request will also allow those citizens who work the opportunity to pick up courses through close-circuit television, tapes, and other electronic devices, when they have time. Alice Campbell, a student at the College, described her personal experience. She enrolled in Leonard Diamond's "Human Sexuality" course and missed a class. She later went to the Instructional Research Center and observed the material missed on film. This method of individualized instruction, therefore, lets the student progress at his own pace, and he can easily adjust it to meet his own needs and schedule.

Your Committee notes that the total request for the essential equipment described by Mrs. Lai for the Honolulu Community College library amounts to \$83,516 for the 1973-74 year. The details of this equipment—including priority, purpose, quantity, and price—are included in this report as Appendix A.

We strongly recommend that this \$83,516 figure be considered by your Committee on Finance when it considers University of Hawaii campus priorities. We received confirmation of this amount allo-

cated for instructional equipment from Provost Clyde Yoshioka. Furthermore, the College has an active student-faculty Library Committee, who were instrumental in providing facts about this situation. The Faculty Senate of the College, moreover, unanimously passed a resolution on February 5, 1973, strongly endorsing State legislative support of this request. It seems clear, therefore, that this project is one which represents the coordinated efforts of many concerned individuals at the College.

We take special note of the fact that, according to Ralph Hahn, registrar, 450 students, or 10.5% of the total day and evening enrollment of 4,293 students, are from the Kalihi-Palama area. While the College—and this library—serves not only this community, your Committee acknowledges the concern for the Kalihi-Palama area and its development expressed in **H. R. 220** upon which we deliberated earlier this Session. It seems apparent that community colleges do indeed service clientele from the areas immediately surrounding them, and that their public service function with respect to how facilities and equipment of all kinds are used ought to be continuously explored by community college and system planners, especially in times of severe fiscal constraint.

Your Committee on Higher Education is in accord with the intent and purpose of **H. B. No. 1743** and recommends that it pass Second Reading and be referred to the Committee on Finance.

APPENDIX A

HONOLULU COMMUNITY COLLEGE LIBRARY EQUIPMENT REQUEST

Purpose/Service	Description	Quantity	Unit Price	Total Price
1. Seating; quiet study	Study Carrels	155	\$ 140	\$21,700
	Chairs			
	naugahyde; nylon	151	40	6,040
	plastic	16	35	560
2. Integration of audio-visual materials with books in central card catalog.	Card Catalog	2	700	1,400
3. Recording selected television programs for instruction; production of TV lessons	Channel Modulators	3	1,300	3,900
	Color Camera	1	8,500	8,500
	Color VTR w/edit	1	1,350	1,350
	Color Syne Generator	1	1,000	1,000

Purpose/Service	Description	Quantity	Unit Price	Total Price
and their distribution to classrooms and community areas, (including Oahu Prison).	Filmchain w/projector	2	2,200	4,400
	Switcher-fader gen	1	1,200	1,200
	Switching Panel	1	1,000	1,000
4. Instructional support for classrooms	Filmstrip Projector	2	150	300
	Mobile Resource Center	2	140	280
	Projector, 16mm	2	527	1,054
	Tape Recorder	3	200	600
	TV, 23" color, instructional	14	485	6,790
5. Individualized instruction via production of tapes in audio studio	Accessories for Audio Studio		various	400
	High fi Tape Recorder	1	800	800
	Microphones	2	100	200
	Tape Duplicators	2	various	4,495
	Turntable	1	200	200
6. Independent study at carrels	Audiscan Model A	2	225	450
	TV, 9" Color, Instructional	4	300	1,200
7. Preventive Maintenance of films and other audio-visual materials.	High Speed Film Inspection	1	2,950	2,950
	TV Analyst	1	200	200
8. Standard Library Equipment (Self-Explanatory)	Bookshelf, 12" x 90" x 12"	1	363	363
	Bookshelves, DF, 66" x 24" x 15'	2	430	860
	18" x 90" x 15'	5	572	2,860
	Booktrucks	2	50	100
	Cabinets, steel	2	250	500
	Divider Screens (Room Dividers and Display)	4	280	1,120
	Files, 3" x 5" locked	3	13	39
	Files, 3" x 5" portable	8	9	72
	Mapfile	1	438	438
	Microfilm Reader	1	125	125
	Microfilm Storage (for periodical backfiles)	2	350	700
	Picture Files	4	155	620
	Two-Seater w/table	2	150	300
	Storage Racks (for audio-visual circulation)	5	225	1,125
	Table, 36" x 48"	1	200	200
9. Production of artwork for TV production, transparencies, posters, slides and other graphics for instruction.	Drafting Desk	1	625	625
	Headliner Typemaker	1	2,500	2,500
			TOTAL	<u>\$83,516</u>

Signed by all members of the Committee.

SCRep. No. 222 Health on H. B. No. 308

The purpose of this bill is to allow medical doctors who are in Hawaii on a temporary basis to take the Federal licensing examination (FLEX) and to assess a fee of \$10 for the same.

Your Committee on Health is in accord with the intent and purpose of **H. B. No. 308** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 223 Health on H. B. No. 991

The purpose of this bill is to repeal the requirement for compulsory vaccination against smallpox.

Your Committee notes that this bill reflects the stand since September, 1971 of the Public Health Service, American Academy of Pediatrics, and the Hawaii Pediatric Society.

Your Committee on Health is in accord with the intent and purpose of **H. B. No. 991** and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. No. 224 Health on H. B. No. 547

The purpose of this bill is to (1) require the department of health to publish the names of food service establishments that are in violation of sanitary standards, and (2) to similarly notify the public of correction of such violations.

Your Committee on Health is in accord with the intent and purpose of **H. B. No. 547** and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. No. 225 Health on H. B. No. 153

The purpose of this bill is to facilitate cancer research by providing for the collection and use of information contained in

the Hawaii Tumor Registry.

Your Committee was concerned particularly with (a) the extent of confidentiality to be accorded the identity of the patients; and (b) the availability of the collected information for use in a patient's own treatment.

More particularly, your Committee made the following changes to the original form of the bill. (1) A specific proviso was added respecting the use of the collected material to permit "the Hawaii Tumor Registry . . . (to) . . . reveal all relevant information to a patient's attending physician." This is intended to obviate a problem that presently exists by virtue of the Attorney General's interpretation of present law as forbidding disclosure by the registry of the identity of the patient or his physician to any non-departmental personnel. Such interpretation prohibits the registry from disclosing to a patient's own attending physician information in its possession which may be relevant to his treatment.

(2) A proviso was added respecting the confidentiality to be accorded to the identity of patients which requires a researcher seeking additional information directly from a patient to clear such request through the patient's attending physician. The purpose of this change is to ensure that disclosure to a patient of the dreadful fact of affliction with cancer is reserved to the attending physician who would be acquainted with all other essential medical facts of the patient.

(3) Finally, an additional paragraph has been inserted to provide that the use of any additional information obtained by a researcher is, where the patient is still living, subject to the "approval of the patient, his immediate family, or attending physician, in that order of priority".

Your Committee on Health is in accord with the intent and purpose of **H. B. No. 153**, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as **H. B. No. 153, H. D. 1**.

Signed by all members of the Committee.

SCRep. No. 226 Health on H. B. No. 312

The purpose of this bill is to allow

graduate and foreign graduate veterinarians from a school accredited by an American Veterinary Medical Association to practice "under the direct supervision of a licensed veterinarian."

Your Committee on Health is in accord with the intent and purpose of **H. B. No. 312** and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. No. 227 Health on H. B. No. 306

The purpose of this bill is (1) to extend dental hygienist licenses to applicants who are graduates of foreign dental hygiene training schools which have a two-year course and accredited by the Council of Education of the American Dental Association and (2) to extend the present thirty-day application filing deadline to forty-five days.

Your Committee on Health is in accord with the intent and purpose of **H. B. No. 306** and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. No. 228 Health on H. B. No. 167

The purpose of this bill is to require tests for alcohol content of all drivers, pedestrians or other persons who have been fatally injured or who die within four hours after the occurrence of a traffic accident.

Your Committee notes that the original bill excluded persons fifteen and under. It was your Committee's view that a more thorough compilation of data would be obtained without such exclusion. Accordingly, the original form of the bill was changed to delete such exclusion.

Your Committee on Health is in accord with the intent and purpose of **H. B. No. 167**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 167, H. D. 1** and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. No. 229 Health on H. B. No. 192

The purpose of this bill is to correct the present situation which will not permit the forfeiture of a nursing home administrator's license for failure, neglect or refusal to pay the annual renewal fee. This bill also provides for restoration of the license upon payment within three years of forfeiture "of all delinquent fees plus a penalty of \$10 and evidence of participation in educational program."

Your Committee on Health is in accord with the intent and purpose of **H. B. No. 192** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 230 Health on H. B. No. 198

The purpose of this bill is to delete the one-year residency requirement for the practice of pharmacy following a recent United States District Court decision.

Your Committee on Health is in accord with the intent and purpose of **H. B. No. 198** and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. No. 231 Health on H. B. No. 196

The purpose of this bill is to delete the one-year residency requirement for the practice of medicine and surgery following a recent United States District Court Decision.

Your Committee on Health is in accord with the intent and purpose of **H. B. No. 196** and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. No. 232 Finance on H. B. No. 1833

The purpose of this bill is to amend the criteria for determining distribution of grants-in-aid of state general fund to the several counties.

By deleting all of its existing provisions and substituting therefor entirely new provisions, Sec. 248-6, Hawaii Revised Statutes, as amended, is hereby further amended.

This measure, as amended, is a proposal by the administration in "long form" to amend said statute in conformity herewith, and the provisions hereof are merely being incorporated into the "short form" of this bill, heretofore referred to your Committee.

Your Committee hereby emphasizes that neither our amendment of the bill, as introduced, nor this report thereupon constitutes an endorsement of or recommendation upon the substantive content thereof at this time. When and if your Committee acts upon this measure, it will only be after the usual measure of copies hereof have been printed and circulated for review by legislators and the public, adequate time has elapsed for careful construction of its contents, and a full and open public hearing hereof has been had by your Committee to aid in our deliberations. With that qualification,

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 1833**, as amended herein, and recommends that it be recommitted to your Committee on Finance for further consideration in the form attached hereto as **H. B. No. 1833, H. D. 1.**

Signed by all members of the Committee.

SCRep. No. 233 Finance on H. B. No. 1836

The purpose of this bill is to provide a more progressive structure for certain taxes in order to increase revenues to the State.

This measure, as amended, is a proposal by the administration in "long form" to amend the Hawaii Revised Statutes in conformity herewith in the following respects:

Part I By amending, [repealing] or add-

ing nine (9) separate sections of chapter 235, relating to the income tax law, being Secs. 235-2, -7, -24, [-26], -51, -71, -85, [-88] and -89. (Section 1 of the bill).

Part II By amending five (5) sections of chapter 237, relating to the general excise tax law, being Secs. 237-13, -15, -16, -18 and -44. (Section 3 of the bill).

Part III By amending one (1) section of chapter 238, relating to the use tax law, being Sec. 238-2. (Section 5 of the bill).

Part IV By amending one (1) section of chapter 241, relating to the taxation of banks and other financial institutions, being Sec. 241-4. (Section 7 of the bill).

Part V By amending one (1) section of chapter 244, relating to the liquor tax law, being Sec. 244-4. (Section 9 of the bill).

Part VI By amending one (1) section of chapter 247, relating to the tobacco tax, being Sec. 245-3. (Section 11 of the bill).

Part VII By amending one (1) section of chapter 247, relating to the conveyance tax law, being Sec. 247-2. (Section 13 of the bill).

Part VIII By amending two (2) sections of chapter 431, relating to the Hawaii insurance law, being Secs. 431-318, and -388. (Section 15 of the bill).

Hereby, the provisions of the "long form" are merely being incorporated into the "short form" of this bill, heretofore referred to your Committee.

Your Committee hereby emphasizes that neither our amendment of the bill, as introduced, nor this report thereupon constitutes an endorsement of or recommendation upon the substantive content thereof at this time. When and if your Committee acts upon this measure, it will only be after the usual measure of copies hereof have been printed and circulated for review by legislators and the public, adequate time has elapsed for careful construction of its contents, and a full and open public hearing hereof has been had by your Committee to aid in our deliberations. With that qualification,

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 1836**, as amended herein, and recommends

that it be recommitted to your Committee on Finance for further consideration in the form attached hereto as **H. B. No. 1836, H. D. 1.**

Signed by all members of the Committee.

SCRep. No. 234 Judiciary on H. B. No. 1161

The purpose of this bill is to amend Chapter 580, Hawaii Revised Statutes, so that such chapter applies equally to males and females without discrimination against either by reason of their sex.

Your Committee finds that the proposed amendments would eliminate the present discrimination in favor or against males and females appearing in the language of the sections being amended. The proposed amendment would substitute the word "spouse" and appropriate other words so that the divorce law of the State would be non-discriminatory, making it clear that either spouse, husband or wife, can obtain support orders, restraining orders and enforcement orders against the other spouse as is appropriate in the circumstances.

Your Committee has made a technical nonsubstantive change in the format of the bill as proposed.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 1161**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 116, H. D. 1** and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 235 Health on H. B. No. 157

The purpose of this bill is to designate the department of health as the state agency for scientific control of chemical testing for blood alcohol content.

The Honolulu Police Department has testified in support of this bill subject to an amendment that will place the testing of alcohol by the use of the breathalyzer beyond its purview. As the breathalyzer, which the Police Department is presently utilizing, does not mix chemical with samples in order to make the determination

of intoxication, your Committee viewed such objection favorably and has effected such amendment in **H. D. 1.**

Your Committee on Health is in accord with the intent and purpose of **H. B. No. 157**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 157, H. D. 1**, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 236 Health on H. B. No. 309

The purpose of this bill is to clarify Section 471-1(4) to obviate any question as there may be regarding a veterinarian's authority to prescribe medication.

Your Committee on Health is in accord with the intent and purpose of **H. B. No. 309** 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. 237 Judiciary on H. B. No. 22

The purpose of this bill is to amend the existing election laws regarding campaign expenses and place effective limits on campaign spending and expand the scope of public scrutiny relative to the financial aspects of the campaign process.

Your Committee favors the tightening of controls on the limits and manner of campaign spending and has, with such intent, worked a complete overhaul of the original bill.

First of all, the entire organizational scheme of the bill was rearranged to obtain a more logical presentation. Secondly, an attempt was made to clean up the language of the bill to permit easier reading. Finally, review of the provisions of the original bill with those of **House Draft 1** indicates the following major features of the bill as amended.

1) **Campaign Spending Commission.** This bill establishes a five member commission to oversee the campaign process. Your Committee saw fit to define the respective duties of the commission and

the chief election officer. The former scrutinizes the campaign and the latter runs the election. Specific duties were allocated along those lines.

2) Limitations On Campaign Spending. Your Committee has expanded the original bill to impose five dimensions of restrictions. The first is directed toward the types of expenditures that may be made. The second is directed toward overall limits that are not to be exceeded by the candidates. Such overall limits are differentiated by schedule among the different elective offices based on number of voters that must be reached. The third is directed toward media expenditures — an item that has had great influence on recent increases in campaign expenditures. The fourth is an aspect of restriction that is imposed on the second and third, whereby the limits of expenditures are separated into two time periods — before and after the primary election. Finally, the fifth makes it clear that production costs of media expenses made in advance but used during the campaign period are allocable to the media spending limitations.

It is your Committee's view that this multi-dimensional coverage of this crucial subject matter provides more comprehensive limitations than under the original form of the bill.

3) Reporting Requirements. Your Committee has also expanded and established a comprehensive reporting procedure in the bill. As amended, the bill requires candidates, committees and parties to file an organizational report upon the initial organization of the campaign; preliminary reports reporting on contributions and expenditures ten days before the primary and general elections; a final report 20 days after the general election; and supplemental reports respecting such deficits and surpluses as there may be.

Your Committee feels that this systematic method of requiring reports of campaign expenditures permits an orderly way for the voters to keep scrutiny on the financial aspects of the campaign process.

4) Campaign treasurer. Your Committee appreciates the fact that successful control of campaign expenditure rests on allocating specific responsibility to specific persons respecting the filing of the required reports. This bill focuses that responsibility

on the campaign treasurer, with the provision that every candidate, committee and party must appoint someone in that capacity. A candidate is permitted to appoint himself as campaign treasurer.

Also, in this connection, each report is required to be certified by the campaign treasurer, and is to be available for public inspection.

5) Investigation. The investigatory function is placed with the campaign spending commission. It is empowered to issue subpoenas for the production of documents and the attendance of witnesses. The commission is also required to adopt a code of fair campaign practices; establish rules and regulations; and initiate the prosecution of any violation.

6) Prosecution. Your Committee was particularly concerned about the evident public confusion as to where jurisdiction and responsibility lay in the area of prosecution under the existing law. Your Committee felt that dual avenue for prosecution should be established permitting the avoidance of any conflict of interest that may arise between a prosecution agency and its appointive authority. The bill as amended makes it clear that it will be the campaign spending commission, and no other body with the exception of the courts, that will commence a prosecution. Such commencement is made by the commission requesting either the office of the attorney general or of the prosecuting attorney to conduct the prosecution.

7) 'Candidate'. The definition of candidate was expanded to include persons who make substantial effort toward amassing financial resources for a campaign prior to filing necessary papers. Under present law, a candidate can claim that he is technically not a candidate simply because he has not filed nomination papers, while for all practical purposes he is in fact making the most elaborate efforts toward ultimate election.

8) Transfer of funds between candidates. Your Committee was also concerned about transfer of funds between candidates. The original form of the bill was changed to make it clear that any such transfer is prohibited, but that it could not be illegal for a party to support more than one candidate or for more than one candidate seeking election to multiple office out of

the same district to conduct joint campaigns.

9) **Testimonial affairs.** The subject matter of testimony affairs was changed from the original form of the bill to include affairs that cost "more than \$15 per person", and to limit testimonial affairs to one per election campaign. Your Committee felt that a candidate faced with deficits after the general election should be able to hold an additional testimonial within six months after the general election in an effort to clear the deficits.

Finally, the results of **H. D. 1** and **H. D. 2** of this measure are to provide many major amendments to the bill as introduced in an effort to achieve a comprehensive coverage of the campaign procedure and to permit public scrutiny of that procedure upon much expanded scope.

H. D. 1 was recommitted to this Committee to effect changes to better reflect the Committee's basic intent which were omitted in **H. D. 1**. Principally, changes made relate to Sec. 11-207 in which the expenditure limitation amounts were reduced to obtain more reasonable balance between the voters' general desire for less expensive campaigns and the duty of the candidate to communicate their view to the voters. Changes were also made to permit greater flexibility in expenditure in unusual circumstances. To fortify the original intent of **H. D. 1**, Sec. 11-205 was amended to add a new subsection (c) to make it clear that every expenditure made by a committee on behalf of a candidate must have his campaign treasurer's written approval and to tie such requirements with the mechanics of imposing the expenditure limitations of Sec. 11-207 to the appropriate candidate. Other than the foregoing, your Committee has effected technical changes to clear up the language and permit easier reading.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 22**, **H. D. 1**, as amended herein, and recommends that it pass Third Reading in the form attached hereto as **H. B. No. 22**, **H. D. 2**.

Signed by all members of the Committee.

SCRep. No. 238

Legislative Management informing the House that House Resolution No. 374, House Concurrent Resolution No. 94, and Standing Committee Report Nos. 239 to 317, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 239 (Majority) Education on H. B. No. 53

The purpose of this bill is to amend the existing land use and subdivision laws with respect to a new community as defined by the bill.

The bill provides that no subdivision or land use change shall be approved until the developer (1) agrees to set aside a school site satisfactory as to size and location to the Department of Education; (2) agrees to build approved facilities thereon; and (3) agrees to lease the land and facilities with options to purchase. The provisions of the bill apply to a "new community" which is left to the determination of the land use commission.

Your Committee on Education is in accord with the intent and purpose of **H. B. No. 53** and recommends that it pass Second Reading and be referred to the Committee on Water, Land Use and Development.

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

SCRep. 240 (Majority) Education on H. B. No. 1239

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii a certain sum to defray part of the operating expenses of the Bernice P. Bishop Museum.

The Museum has enjoyed an international reputation as one of the distinguished natural and cultural history museums of the world since 1889. Services rendered to the public by the Museum range from the restoration of the Falls of Clyde to specific educational programs for students to providing manpower and museum facilities to State and County agencies for little or no charge. Due to rising costs, public assistance is needed to partially defray the cost of continuing these programs for little or no charge to the public.

Your Committee on Education is in accord with the intent and purpose of **H. B. No. 1239** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

Representative Hapai did not concur.

SCRep. 241 Education on **H. B. No. 1319**

The purpose of this bill is to waive tuition fees to Department of Education Adult Education courses for persons 60 years and older and to provide the funds necessary to finance this privilege.

Removing the financial barriers for the large number of active elderly persons who presently cannot afford to further their education will enable these people to have a chance at rehabilitation and perhaps reduce the welfare rolls.

Your Committee on Education is in accord with the intent and purpose of **H. B. No. 1319** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 242 Education on **H. B. No. 1350**

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii a certain sum for the continuation of the Alternatives for Youth Program and the Waianae Rap Center during the fiscal biennium 1973-1975.

The federally funded demonstration period for the Model Cities program ends June 30, 1973, and Model Cities under Act 130 has been mandated to select its most effective and appropriate projects for continued State funding. The Alternatives for Youth Program and the Waianae Rap Center are two such projects that have been proven to provide alternatives to drug abuse or other antisocial behavior for young people.

Your Committee on Education is in accord with the intent and purpose of **H. B. No. 1350** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 243 Select Committee of Maui Representatives on **H. B. No. 494**

The purpose of this bill is to enable the State of Hawaii to assume ownership and operation of Molokai General Hospital.

Your Select Committee of Maui Representatives is in accord with the intent and purpose of **H. B. No. 494** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 244 Select Committee of Maui Representatives on **H. B. No. 957**

The purpose of this bill is to make an appropriation for the purchase of an ambulance for Molokai General Hospital.

Your Select Committee of Maui Representatives is in accord with the intent and purpose of **H. B. No. 957** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 245 Select Committee of Maui Representatives on **H. B. No. 958**

The purpose of this bill is to provide a subsidy for the Molokai General Hospital.

Your Select Committee of Maui Representatives is in accord with the intent and purpose of **H. B. No. 958** and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 246 Select Committee of Maui Representatives on **H. B. No. 1299**

The purpose of this bill is to make feasibility studies to determine potentially viable industries for the rehabilitation of Molokai.

Your Select Committee of Maui Representatives is in accord with the intent and purpose of **H. B. No. 1299** and recom-

mends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 247 Health on S. B. No. 316

The purpose of this bill is to add the profession of dentistry in Section 625-15, Hawaii Revised Statutes, so that such profession together with medical doctors may be able to establish and operate effective peer review committees.

Your Committee on Health is in accord with the intent and purpose of **S. B. No. 316** and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 248 Health on S. B. No. 155, S. D. 1

The purpose of this bill is to add "negligence" and "addiction to the use of dangerous substances" as additional grounds for the board of veterinary examiner's revocation or suspension of a license.

This bill also changes a previous reference of "insanity" as a ground for revocation to the words, "mental incompetence."

Your Committee on Health is in accord with the intent and purpose of **S. B. No. 155, S. D. 1** and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 249 Health on S. B. No. 157

The purpose of this bill is to increase the fee for a veterinarian license from \$35 to \$100 and thereby to bring such fee in line with that of other professions.

Your Committee on Health is in accord with the intent and purpose of **S. B. No. 157** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 250 Health on H. B. No. 50,

H. D. 1

The purpose of this bill is to amend Chapter 132, Hawaii Revised Statutes, on the subject of fire safety standards respecting high rise buildings.

Upon review of the original form of this bill and after hearing testimonies, your Committee concluded that the many and elaborate technical details entailed by the provisions of this bill would be more effectively treated by reliance on the expertise of the staff of the Fire Marshall and to have the same provided by rules and regulations to be adopted by the Fire Marshall. Your Committee has amended the bill to conform to such view.

Your Committee notes that the language of Section 132-17, Hawaii Revised Statutes, provides that the standards to be established by the rules and regulations of the Fire Marshall will be minimum standards effective throughout the state, but which the various counties, by exercise of their autonomy, may supersede by providing stricter standards. We see the wisdom of thus achieving minimum uniform safety standards while retaining local autonomy, and feel that the fire safety standards for high rise buildings should be handled within this context.

Your Committee on Health is in accord with the intent and purpose of **H. B. No. 50**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 50, H. D. 1**, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 251 Health on H. B. No. 156

The purpose of this bill is to allow the department of health to make additional charges to persons taking license examinations for certain occupations in order to offset the costs of examinations purchased from professional organizations or examination services against the flat examination fees that are being presently charged.

Your Committee on Health is in accord with the intent and purpose of **H. B. No. 156** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 252 Select Committee of Oahu Representatives on **H. B. No. 1840**

The purpose of this bill is to provide a state law to regulate the taxicab industry and thereby to further the improvement of transportation services for the people of this state.

The original form of this bill restricted its application to counties "with a population of 100,000 or more". Your Committee does not agree with that view, but feel that it is desirable to achieve a uniform system of regulation extending throughout the state.

Your Committee has also effected changes to the original form of the bill directed toward concern for the consumer-patrons of taxicabs. Your Committee feels that any regulation must be directed toward achieving ultimate benefits for the consumer-patrons. In this regard the make-up of the board was changed to erase any direct participation in the board by persons connected or associated with the taxicab industry. It is your Committee's intent that the three members to be appointed by the Governor should be selected from the consumer-public. It is, however, your Committee's intent that the board should consult the taxicab industry in its efforts, and has provided specific and additional language in that regard.

Another item in this direction involves an additional directive that in issuing or denying certificates of public convenience, the board must first consider its "effect on the consumer".

It is similarly expected that in all of its deliberations — be it rate-making, licensing, supervision over certificates, etc. — the board should be mindful of its primary obligation to the consumer-public while giving full regard to the right of those in the taxicab industry to earn a fair living.

Your Committee was also concerned with the rights of appeal and the possibility of applicants being fettered by unnecessary delays. In this regard, specific time-tables were added to the original form of the bill.

Finally, the definition of "principal occupation" was made more specific by reference to "50 percent of . . . total gross income" as presently provided in the taxicab regulation of the City and County of Honolulu.

Your Select Committee of Oahu Representatives is in accord with the intent and purpose of **H. B. 1840**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1840, H. D. 1** and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 253 Health on **S. B. No. 76**

The purpose of this bill is to amend Section 321-11, Hawaii Revised Statutes, to permit the Department of Health to promulgate regulations governing ambulances and ambulance equipment.

Advances in ambulance equipment make it desirable to establish adequate standards. The failure to do so could cause this State to lose a substantial portion of federal funds for highway construction.

Your Committee on Health is in accord with the intent and purpose of **S. B. No. 76, 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. 254 Health on **S. B. No. 89**

The purpose of this bill is to provide the Department of Health with authority to disclose the identity of persons reported to have been affected with viral hepatitis to blood banks, in order that donors with such medical history may be rejected.

Your Committee on Health is in accord with the intent and purpose of **S. B. No. 89, 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. 255 Judiciary on **H. B. No. 1163**

The purpose of this bill is to amend chapter 580, Hawaii Revised Statutes, relating to separation to correlate the grounds for divorce, and to clarify the rights of parties who are separated under a decree of separation from bed and board to a divorce at a subsequent time.

Under existing law, an action for separation from bed and board may be maintained only on the grounds for which an absolute divorce may be obtained. This bill deletes that requirement and substitutes therefor that the "marriage is temporarily disrupted", which your Committee believes to be consonant with the purpose of an action for separation from bed and board.

Section 580-71.5 is proposed to eliminate a possible defense to a person seeking a divorce following the entry of a decree of separation from bed and board. As the law exists, it is technically possible to argue or plead that a Decree of Separation settles all of the issues relating to the marriage and its termination, requiring then that if a divorce action is filed subsequently, it can be maintained only on some new grounds developed following the entry of the decree of separation. This proposed amendment would eliminate this delaying tactic.

Your Committee has made some minor changes in the bill affecting only its form and not its content.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 1163**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1163, H. D. 1** and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 256 Consumer Protection on H. B. No. 719

The purpose of this bill is to make it an unfair method of competition for any person to furnish services to others without a license.

Under existing statutes, the regulatory agencies can bring an injunction and refer the matter for prosecution. This approach has proven to be relatively ineffective.

Since a violation of the bill's proposal will be subject to the penalties under chapter 480 which are enforced by the Office of the Consumer Protection the violator will be additionally confronted with the following:

(1) Civil fine of \$500 to \$2,500 for each count;

(2) Recovery by the consumer of \$1,000 or 3 times his damages plus costs; and

(3) Court injunction.

According to the Office of Consumer Protection, the enactment of this bill will afford a speedy remedy as it will be relatively easy to prove a person is unlicensed.

Your Committee on Consumer Protection is in accord with the intent and purpose of **H. B. No. 719** 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. 257 Consumer Protection on H. B. No. 971

The purpose of this bill is to require advertisers to ascertain whether a contractor or real estate broker is duly licensed before publishing advertisements for such persons. To many consumers anything published by the established media represents assurance that the person placing the advertisement is legitimate and will perform in a professional way. Your Committee believes that the bill's proposal will not burden the media and would serve as another check of unqualified persons.

Your Committee on Consumer Protection is in accord with the intent and purpose of **H. B. No. 971** and recommends that it pass Second Reading and that it be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 258 Higher Education on H. R. No. 268

The purpose of this Resolution is to request that the University of Hawaii review its admissions policy for the School of Nursing and to make appropriate adjustments whereby all registered nurses would

be encouraged to continue on a part-time or full-time basis in the baccalaureate programs in nursing with recognition to their working experiences as registered nurses.

First-rate nursing care services available in the State can be attributed, in part, to the fact that all registered nurses must pass a State board examination and be a graduate of a nursing school approved by the State Board of Nursing in order to be licensed to practice their profession in the State. Approval by the State Board of Nursing indicates completion of training under a university or college baccalaureate program in nursing or under a hospital or independent nursing school diploma program or under a junior or community college associate degree program.

With the current emphasis on more education and a desire to advance their professional status, licensed registered nurses with training in a diploma program and several years of work experience have enrolled in university or college baccalaureate programs in nursing. Chaminade College, an accredited institution, has accepted registered nurses in their Bachelor of General Studies program and upon evaluation of their past academic training, granted appropriate credit. The University of Hawaii accepts registered nurses into its baccalaureate program, but because of present admissions policies, does not recognize academic training received in the diploma program. This rigid adherence to admissions policies by the School of Nursing at the University in the cases of licensed registered nurses who matriculate with training in diploma programs exhibits an inflexibility contradictory to statements made by the President of the University Harlan Cleveland. Although his statements were in reference to ideas about the "open university", his remarks on the awarding of degrees, regardless of actual time spent in the classroom, demonstrate that flexible academic credit is warranted.

Since 1968, and as a result of numerous inquiries by interested nurses, attempts have been made by the College of Continuing Education for Women (CCEW) to incorporate a program enabling registered nurses who have worked for several years to take refresher courses and to eventually enroll in a baccalaureate nursing degree program. In May, 1969, such a proposal was submitted by Jeffrey Fleece from CCEW to the University which included

the School of Nursing. No action was taken on the proposal.

Your Committee heard numerous testimony on this Resolution. Edith Anderson, Dean of the University of Hawaii's School of Nursing, speaking against the Resolution said the graduate with a bachelors degree in General Studies "is handicapped professionally because he has no upper division collegiate courses in nursing" which "prepare nurses for professional positions in public health nursing and other fields." Also, "it is vital that nurses be prepared with the best current scientific and professional background possible." It is Dean Anderson's belief that the effect of this Resolution would be "to lower the quality of the baccalaureate program in nursing" which "would jeopardize our national and State accreditation." Terrence Rogers, Dean of the University's School of Medicine and Professor of Physiology, pointed out that the "problems in assigning baccalaureate credit for work undertaken at a lower level" are in the different levels of "scientific understanding" expected.

Six students from the School of Nursing testifying with Dean Anderson expressed similar concern for the "quality" and "integrity" of nursing education. Their sentiments were shared by George Moorhead, President of the Public Health Association; Chris Taylor, Associate Director for the Hawaii Nurses Association; Kazue McLaren, Chief of the Public Health Nursing Branch of the State Department of Health; and Jacqueline Johnson, Chairman of the Hawaii State Board of Nursing. The latter three stated that the nursing profession has the right and obligation to define its own professional practices and educational preparation needed. Hasty action due to legislative mandate may jeopardize the accreditation of the School of Nursing.

Testifying in favor of the Resolution were Mr. Paul Cook, Hospital Administrator of Kauikeolani Children's Hospital; Dr. William H. Hindle, Chairman for the Hawaii Section, American College of Obstetricians and Gynecologists; Margaret Kleinkoff, Director of Nursing, Kapiolani Hospital; Sister Maureen of St. Francis Hospital; and thirteen registered nurses working in various public and private institutions in the State. All expressed concern over the restrictive, inflexible, and therefore discriminating admissions poli-

cies of the University's School of Nursing. They shared the feeling that educational programs for nurses should be more readily available and should permit enrollment on a part- or full-time basis.

Dr. Hindle pointed out that licensed registered nurses are accepted for work on the basis of competency in work experience, rather than degree credentials. Mr. Cook emphasized this and added that most baccalaureate curriculum would contain much repetitive material and duplication for the diploma nurse with working experience. He suggested that 30 credits or more could be advanced on a pre-test and experience basis without jeopardizing national accreditation.

Marion Saunders, CCEW, in a letter to your Chairman, listed several accredited Colleges and Universities that allow credits for RN training without any threat to their accreditation. They include University of Michigan, University of Nebraska, Indiana University, Syracuse University and Boston University. A further study finds that the University of Oregon, Arizona State University, Coe College, and the University of Alabama also have similar programs and that all of these grant Bachelor of Science degrees with credit allowed for previous RN training and working experiences.

The Western Interstate Commission for Higher Education (WICHE) in a paper entitled "Health Manpower: Adapting in the 70's' Education and Training", notes that "continuing education for all members of the health systems will be necessary to keep pace with rapid changes." Mary Ann Pyun, a registered nurse with the Hawaii State Hospital, summarized in her testimony "the need to evaluate each student's competencies" in order to "avoid duplication and waste in moving people up the training career ladder" by "creating new educational models to maximize the students' past experiences."

There is further inconsistency in the admissions policy at the University of Hawaii School of Nursing. Although credit or consideration is not given to a licensed registered nurse with a diploma, many of these nurses are used as resource people in clinical training and classroom workshops by the University of Hawaii School of Nursing and hospital training programs. If diploma graduates are now functioning

effectively in leadership positions in hospital nursing care and training, this attests to the worth of their diploma training.

Your Committee recognizes the importance of clinical working experience. Reports from various nursing journals cited by witnesses indicate a growing trend toward incorporating clinical working experience in the baccalaureate program. The University of Hawaii School of Nursing does indeed use clinical and community practical experiences in their baccalaureate program.

Your Committee finds further through talking with hospital administrators and reviews of the data submitted to us that a need exists for licensed registered and practical nurses in the State. With 80 percent of the registered nurses in the State of Hawaii as diploma graduates, it seems that our educational institutions ought to provide realistic, innovative and quality educational programs to meet these demands.

Your Committee further notes that inconsistencies exist with regard to salary schedules and duties and responsibilities in some hospitals. Kaiser Foundation Hospital, Kauaikeolani Children's Hospital and Queen's Medical Center use performance and experience as their criteria for hiring and promotions within non-administrative staff positions. However, licensed registered nurses with degrees earn \$10 more than licensed registered nurses with diplomas at one of the hospitals. There is no salary differential at the other two hospitals.

For these reasons, your Committee endorses the spirit and intent of the Resolution and strongly recommends that long-range views be given to nursing education programs in the State. Because of the complexity of the problems, your Committee further recommends that the University of Hawaii School of Nursing work closely and in cooperation with the University of Hawaii College of Continuing Education, the various nurses' associations and organizations in the State of Hawaii, hospital administrators, and related State agencies to conduct the study requested.

Your Committee realizes that time is necessary for the comprehensive study we desire, and therefore recommends that the "Be It Further Resolved" clause be amended to have the University of Hawaii

submit its review and adjustments to the Legislature twenty days before the 1974 Session. Estimates of study cost are left to the Committee on Finance.

Your Committee on Higher Education concurs with the intent and purpose of **H. R. No. 268**, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as **H. R. No. 268, H. D. 1**.

Signed by all members of the Committee.

SCRep. 259 Higher Education on H. R. No. 187

The purpose of this resolution is to request that the University of Hawaii conduct a study, in conjunction with the private higher education institutions in the State, on overlapping and duplicated programs and curricula.

Your Committee on Higher Education has continued to discuss various programs at the University of Hawaii this Session and has observed the growth and development of a State-wide system of public higher education. It notes the creation of a system of two and four-year campuses to provide Hawaii's students with **choices** of college atmosphere and programs. We hope that this range of campuses will provide students with further **options** to learn.

One area we feel needs to be further investigated is the role private colleges play in the State and how their programs relate to our State-supported system. At a time when economic constraints in the State are great, it seems appropriate to your Committee to consider the kinds of arrangements and relationships between the University of Hawaii and the other private higher education institutions in the State.

At present there are four such baccalaureate and graduate degree granting colleges on Oahu: Church College of Hawaii at 55-220 Kalanui Street, Laie; Chaminade College, 3140 Waialae Avenue, Honolulu; Hawaii Loa College at 45-045 Kamehameha Highway, Kaneohe; and Hawaii Pacific College at 841 Bishop Street in downtown Honolulu. Also included in this general category of higher education institutions is the two-year Maunaolu campus of United States International University

of San Diego, California — located in Paia on the Island of Maui.

According to University of Hawaii figures (see Appendix A), the University system accounts for 90 percent of the total day credit enrollment in higher education in Fall, 1972, or 42,906 students. Enrollment in private colleges totals 4,347 students with breakdowns as follows: Chaminade, 1,844; Church, 1,078; Hawaii Loa, 221; Hawaii Pacific, 210; and Maunaolu, 94. Other business and proprietary institutions total 900. Even if these colleges total only 10 percent of the total day-time college-going enrollment, we believe they warrant State consideration.

Presidents and/or representatives of all four-year colleges on Oahu were asked to present descriptions of their campuses and educational programs in order that your Committee obtain an overview of current curricula and investigate possible overlap and duplication. Emphasized, however, were distinctive features of these colleges.

Your Committee finds that the contribution of these institutions to the present State system of higher education is that they offer programs with features distinguishing them from present operations at the University of Hawaii Manoa, Hilo, and community college campuses. Some of these features described at our public hearing of February 27 are:

Chaminade College of Honolulu

Brother Robert Maguire spoke for the College, a liberal arts institution with a Catholic orientation. The College offers both two- and four-year degrees in six areas — humanities, natural science and mathematics, social studies, education, business administration, and military science. Special features include the Associate and Bachelor of General Studies degrees, for which college credit is granted for correspondence or other kinds of schooling, military, occupational, and other work experience, when combined with examinations which the College specifies as part of its admission requirements.

Concurrent registration at the University of Hawaii Manoa campus is another special feature, and majors in teaching, biological, mathematical, physical, and social sciences, certain business programs, and the travel industrial management cur-

riculum may be completed there. For these programs, tuition is paid at Chaminade, and no extra fee is assessed for this service.

Church College of Hawaii

President Stephen L. Brower testified for Church College, a liberal arts, co-educational college, funded by the Church of Latter-Day-Saints of Jesus Christ. Support also comes from private individuals and the Polynesian Cultural Center.

The College curriculum includes bachelors of arts and science degrees in four areas — business, communication, education, and social welfare service. A fifth year diploma in education or a master's degree may be obtained by continuing at Brigham Young University in Utah. Credit is awarded for both military and work experience, upon taking examinations.

A distinctive feature of the College is the incorporation of work experiences at the Polynesian Cultural Center for which academic credit is given. Credit is also granted for work in the College's business offices.

There is no concurrent registration with any of the other higher education institutions in the State.

Hawaii Loa College

Dr. Chandler Rowe, president of the College, described his co-educational institution which is supported by four protestant denominations — Methodists, United Church of Christ, Presbyterian, and Episcopalian. The College offers a bachelor's degree, and features interdisciplinary and intercultural courses in four divisions — communication arts, humanities, social sciences, and science and mathematics.

Also distinctive is the kind of class atmosphere at Hawaii Loa: small discussion sections and seminars are encouraged. Emphasis in upper division courses is on directed reading and independent studies. Students and faculty work closely together on the direction and advisement of program plans. Occasional visiting scholars and intra-faculty lectures are a supplement to upper division programs. In Summer of 1972, the College began a program of Intercultural Studies abroad.

Hawaii Pacific College

Dr. George Warmer, president, together with Deans Chatt Wright of the School of Business Administration and Charles Sh-veev of the School of Liberal Arts and Ms. Geraldine Ome, director of cooperative education, discussed the distinctive features of their college which has recently moved to new headquarters in the Davies Pacific Center.

The College is non-sectarian, and offers the bachelor of arts degree in humanities, social and natural sciences, and mathematics and the bachelor of science degree in business administration which includes economics, marketing, and management.

A distinctive feature of the College is the Cooperative Education program. A student may work in industry, business, government, or a service-oriented institution and integrate this with classroom experience. Several plans of cooperative education are available: a student may alternate work and study quarters; he may work full- or part-time and then have his work experience evaluated; he may engage in a practicum or field experience; or he may work as a volunteer. Academic credit is granted in all cases.

Credit is also given for other work or military experience acquired by the student at the time of admission. An examination is required. Through the "open college" concept, Hawaii Pacific courses can be supplemented by concurrent registration at other colleges in the Honolulu area. These include those in the University of Hawaii system as well as other private business colleges and proprietary institutions.

Possible Study Areas

Your Committee notes with special interest the degrees for general studies and credit for work and other experience given by Chaminade, the credit for the latter at Church College, the interdisciplinary and intercultural approach at Hawaii Loa, and the cooperative education program at Hawaii Pacific. It seems feasible that the University of Hawaii system consider seriously awarding academic credit for other than classroom experience. Plans for this possibility are apparent in the Board of Regents' consideration of "open university" recommendations at their meeting of

March 8, 1973.

At present all four-year colleges appearing before your Committee **do** cooperate with the University of Hawaii, either in certain program majors or use of facilities. Chaminade appears to have worked out the most steady curricular ties with the Manoa campus, particularly in its graduate, teacher education programs. We hope that other programs may be "shared" between colleges in the State.

All private institutions encourage their students to use libraries in the University system; all, including the University, partake of facilities of the Hawaii State Library system. There are other student services which may be "shared" if feasible to parties involved. These include athletic programs, bookstores, student unions.

There is also the possibility of sharing faculty. Such plans have been discussed with the University of Hawaii according to President Rowe of Hawaii Loa.

University of Hawaii as Initiator

Your Committee further notes that this resolution is directed to the University of Hawaii's initiating relationships between public and private institutions. The University is requested to furnish the Legislature with the study.

Speaking for the University of Hawaii system, President Harlan Cleveland, stated that he has consulted with the presidents of the private colleges in various ways. One recent event was a State-wide Learning Resources Conference held at the Waikiki-Sheraton on December 11, 1972. Over 200 faculty, administrators, librarians, and audio-visual experts from two- and four-year campuses in the State convened to discuss newer learning methods. At a luncheon session, private college presidents sat with chancellors and provosts of the University system, and apprised each other of ongoing programs and future plans.

Your Committee hopes that conversations this conference initiated will continue—and especially in the more substantial area of inter-institutional arrangements for shared program majors and faculty. We realize broader issues of church-state relationships do exist with respect to Chaminade, Church, and Hawaii

Loa colleges, but we believe, with the Newman Committee report of 1971, that the thrust of higher education ought to be maintaining diversity by insuring that "we continue to have **both** public and private institutions."

We believe that reflection upon the problem of higher education in the State to be fruitful, if the **ideas** from these sessions take root through coordinated actions. This seems especially necessary at a time when financial resources are scarce, and all State agencies delivering human services are becoming more and more interdependent. Among the areas needing study are admissions policies, kinds of clientele, tuition, and student finances. Appendix B summarizes some comparative information about these areas.

Federal-State Directions

Present directions in Federal legislation give added warrant to the study requested. There are indications in the 1972 Higher Education Act Amendments and the considerations thereafter that some need for coordinating State post-secondary education is necessary.

Earlier attempts to coordinate the licensing of degree-granting institutions in Hawaii were made in the 1971 legislative session. The Regulatory Agencies were requested under Act 169 to administer an advisory committee of institutions, which included universities, colleges, and junior colleges. Such a function became unworkable, according to University President Cleveland because the Statute calls for membership by "the presidents or chief administrative officers of all licensed degree granting institutions in the State", and he would be the only one serving on this body.

Further Possibilities

Although there seems to be a problem of coordination, your Committee notes that some degree of uniformity is gained through the Western Association for Schools and Colleges which serves as the accrediting agency for the University of Hawaii campuses and all private colleges. At present, all of the latter are accredited, except for Hawaii Pacific which is a recognized candidate.

There is also the possibility that organi-

zations like the Western College Association, another group of higher education institutions designed to discuss mutual problems and interests, might facilitate these matters. A meeting of Hawaii's public and private college presidents will be held in Honolulu on March 29-30, with the University as the host institution. Visits are scheduled to the University of Hawaii Manoa and Oahu Community College campuses, to Chaminade, Hawaii Loa and Hawaii Pacific. Hopefully, these visits and the conference sessions will generate productive ideas.

Among them we hope will be ideas on how to maintain distinctiveness and diversity within and throughout all of Hawaii's higher educational institutions. We hope the study requested will reflect these dual goals. Thus, in addition to the phrases "overlap" and "duplication" in the resolution, we wish to add the word "coordination". We recommend that the fourth "whereas" clause and the first "be it resolved" clause be amended as such.

Your Committee on Higher Education concurs with the intent and purpose of **H. R. No. 187**, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as **H. R. 187, H. D. 1**.

Signed by all members of the Committee.

SCRep. 260 Higher Education on H. B. No. 705

The purpose of this bill is to appropriate funds for a study on the uses of bagasse, including such uses as pollution control, mineral resources, fishing, and other economically feasible uses.

"Bagasse" is the term used for the remains of the sugarcane plant after the sugar-bearing juices have been extracted. It is a coarsely divided material of pieces up to five inches in length and of roughly 45-50 percent moisture content. More than three million tons of bagasse are produced annually in Hawaii.

Your Committee heard testimony from Wilbur Loomis of the Department of Health, Fred Erskine of the Department of Agriculture, Sam Caldwell of the Hawaii Sugar Planters' Association (HSPA), and the School of Public Health, Uni-

versity of Hawaii. These agencies have been deeply involved in extensive research in this area to determine and establish the economic value of bagasse and to make it a commodity available throughout the State.

Those submitted to your Committee were "A Survey of Sugarcane By-products Information" by Mrs. Lynne Chase of HSPA, April, 1968, and "Sorberent Study for Oil Spill Control" by Drs. J. A. Mann, Jr. and M. A. Porzio, University of Hawaii, January, 1972.

Your Committee acknowledges the technical nature of these studies in special areas, and notes that the study requested in this resolution is specifically directed to the use of bagasse for pollution control, as a mineral source, and for any other economically feasible use.

Although other State agencies did testify before your Committee, we acknowledge particularly the presentation by Dr. Jerry M. Johnson, Associate Professor, and head of the Environmental Health Unit of the School of Public Health, who spoke on behalf of the University. Dr. Johnson stated that the School of Public Health would require some "minimal" funds to undertake such a study. He submitted a cost figure of \$16,000 to be used as follows:

Faculty, ¼ time	\$ 4,954
Clerical Assistance	770
Two Graduate Students	7,776
Travel (inter-island and personal auto mileage)	2,000
Miscellaneous Supplies	500
Total	<u>\$16,000</u>

This budget is for one year, 1974. Your Committee agrees with the proposed allocation of \$16,000, and recommends that this study be conducted by the School of Public Health.

Your Committee on Higher Education is in accord with the intent and purpose of **H. B. No. 705**, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 261 Higher Education on H. B. No. 1286

The purpose of this bill is to release the funds previously appropriated for this program which provides for the training and development, through vocational education programs, of young farmers.

Your Committee heard testimony from H. Brett Melendy, Vice President for Community Colleges, who stated that the Community Colleges are supportive of this program, but given the present fiscal situation for the State and the University, it is difficult for them to recommend the implementation of this program at this time.

Your Committee also heard testimony from Frederick Erskine, Chairman of the Board of Agriculture, who stated that to keep agriculture a viable industry, we must seek measures to reverse the trend toward fading interest in farming. To support the presence of this trend, Mr. Erskine stated that according to the 1964 census, the average age of farmers was fifty one and is still gradually increasing.

In Act 202 of the Session Laws of Hawaii, 1972, there was appropriated \$50,000 for the Young Farmers Program. Your Committee notes that it was a decision of Governor John A. Burns not to release these funds.

Your Committee recommends that there be appropriated out of the general revenues of the State of Hawaii the sum of \$50,000, or so much thereof as may be necessary, for the training and development, through vocational education programs, of young farmers.

Your Committee on Higher Education is in accord with the intent and purpose of **H. B. No. 1286** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 262 Higher Education on H. B. No. 1780

The purpose of this bill is to appropriate money to the University of Hawaii which will study and determine the feasibility of the use of sewage sludge in agriculture in Hawaii.

Your Committee heard testimony from Richard Hopper of the Office of Environ-

mental Quality Control. Mr. Hopper stated that if sewage sludge is processed by thermal digestion and dehydrated either by air drying or centrifuge, the dried sludge then becomes an excellent material as an additive to soil. Mr. Hopper further stated that Hawaii's soils are generally high in clay content and could very well utilize such materials to lighten and improve their nutritive value.

Your Committee also heard testimony from Jan Johnsen and Karl Malivuk, students in Tropical Agriculture at the University of Hawaii. Ms. Johnsen and Mr. Malivuk addressed themselves primarily to the saleability of the product. "Besides its potential as a cheap, plentiful soil amendment, it is also a good financial investment." Cities such as Chicago, Milwaukee, Houston, Washington, D.C., and Baltimore all produce and sell activated sludge at prices ranging from \$18 to \$36 per ton. These witnesses emphasized that analyses of local sludge in terms of nutrient content and bacterial content is lacking. Another important area is what combinations of sludge and other materials available locally render the best soil conditioner. Ms. Johnsen and Mr. Malivuk stated that these areas have to be studied before attempting to use sludge on a wide scale.

Your Committee also heard testimony from Jim Kraus, a student at the University of Hawaii. Mr. Kraus stated that at present 2,500 tons of solid wastes are disposed of each day in the State of Hawaii and that projections for 1990 indicate that 4,000 tons per day will have to be disposed of on Oahu alone. Mr. Kraus further stated that one way to move toward self-sufficiency in agriculture is to start using recycled material to supply nutrients necessary for plant growth. The use of locally recycled materials will move Hawaii toward a lowered dependency upon the shipping industry.

Your Committee finds the study of the usage of sewage sludge in agriculture to be a worthwhile project and, therefore, recommends that an appropriation of \$25,000 be made out of the general revenues of the State of Hawaii.

Your Committee on Higher Education is in accord with the intent and purpose of **H. B. No. 1780** and recommends that it pass Second Reading and be referred to

the Committee on Finance.

Signed by all members of the Committee.

SCRep. 263 Select Committee of Maui Representatives on **H. B. No. 1494**

The purpose of the bill is to make appropriations for various capital improvement projects in Maui County.

Your Committee has amended this bill by including other capital improvement projects herein.

Your Select Committee of Maui Representatives is in accord with the intent and purpose of **H. B. No. 1494**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1494, H. D. 1** and that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 264 Water, Land Use and Development on **H. B. No. 721**

The purpose of this bill is to give explicit direction that land classified and used for agriculture, whether dedicated or not, shall be assessed at its value in use in agriculture.

The bill clearly specifies the Legislature's intent that the State Department of Taxation shall disregard the value and market price of neighboring lands as well as the value the land might have if it were used for purposes other than agriculture.

Certain problems have occurred with the tax assessment procedure in the past because of differing interpretations of the meaning of the concept of highest and best use. Existing law allows agricultural land to be taxed on its agricultural use. However, agricultural land often is suited to urban use. If one interpretation of highest and best use is applied, this agricultural land then would be assessed at the value it would have for urban use. This interpretation has been used by the State Department of Taxation. One unfortunate situation has been the Kilauea land matter in which the land was in agricultural use. When this land was sold, the tax assessment was increased drastically under the highest and best concept. Conse-

quently, the lessee found the increased tax burden impossible to carry and continue in agriculture.

This interpretation of highest and best use is significant also for the small farmer in agriculture on the fringes of urban areas. This man wants to continue farming and is able to do so if his land is taxed on its agricultural use. If the Tax Department applies the highest and best use concept, however, this land would be taxed at its urban potential thereby squeezing the small farmer out of business.

It is your Committee's view that intensive use of agricultural land for agriculture is its highest and best use. Your Committee hopes that this explicit direction for the basis of assessing agricultural land will resolve the uncertainty and differing interpretations of the concept of highest and best use.

At a hearing on this bill, Mr. Fred Benion, director of the Tax Foundation of Hawaii, told your Committee that assessing agricultural lands at actual use is not unique to tax systems on the Mainland or of other nations. The Pineapple Growers Association of Hawaii, the Hawaiian Sugar Planters' Association and the Hawaii Chapter of the Sierra Club each recommended passage of this bill.

The director of the State Department of Taxation suggested stronger controls be placed in the bill to curb speculation in sales of agricultural land. Your Committee favors curbs on such speculative sales and accordingly has amended the bill to include a tax recapture provision in subsection (f)(2). This recapture provision specifies that if land taxed on agricultural use is changed to urban district classification, the land owner is, at that time, liable for the tax difference for the ten years preceding the change to urban use.

Your Committee on Water, Land Use and Development is in accord with the intent and purpose of **H. B. No. 721**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 721, H. D. 1** and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 265 Water, Land Use and Devel-

opment on **H. B. No. 1194**

The purpose of this bill is to provide funding for planning and programs to diversify the economic base of Kauai and identify alternative employment opportunities for its people. The precedent for this approach was established when like funds were approved by the 1972 Legislature to assist the North Kohala area of the Big Island following the announcement that Kohala Sugar Plantation was closing.

A State Agricultural Task Force, headed by Lt. Governor George Ariyoshi, has been working on Kauai's pressing agriculture problems since June 2, 1972. That task force submitted a report to the Seventh State Legislature and recommended a proposal similar to this bill.

In hearings on both bills, the Kauai county government indicated that land and labor are available but the questions are what to produce, how to produce and how to market.

Your Committee thinks that while every effort should be made to maintain and diversify Kauai's agricultural economic base, its potentials in other economic areas require full exploration. Accordingly, your Committee has amended the sections of the bill dealing with feasibility studies to add research and experiments and planning workshops and conferences. Because of this expanded objective, the original \$200,000 for the feasibility studies has been amended to \$350,000. In Section 3 of the bill, your Committee has reduced the sum of \$3.6 million to \$3.4 million, and the total appropriation in the bill has been reduced from \$4.65 million to \$4.6 million.

On the recommendation of the Lieutenant Governor, the language of the bill in Sections 2, 3, and 4, has been broadened to allow use of either general revenues or general obligation bonds.

Your Committee on Water, Land Use and Development is in accord with the intent and purpose of **H. B. No. 1194** as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1194, H. D. 1** and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 266 Water, Land Use and Development on **H. B. No. 1746**

Your Committee has amended the title of **H. B. No. 1746**, a short form bill, to a more appropriate title, "A BILL FOR AN ACT RELATING TO LANDS". Upon consideration of bills referred to your Committee, it is your Committee's view that some sections of those bills are worthy of consideration and these have been included in this measure, amended herein as **H. B. No. 1746, H. D. 1**.

The purpose of this bill is to preserve agricultural lands, curtail urban sprawl and promote rational urban growth within the State by establishing a new land use district and by assessing agricultural lands on the basis of their value in agricultural use. Your Committee recognizes the need for land for both agriculture and for housing. It is the Committee's intent to direct the urban-housing needs toward marginal and less productive agricultural land and away from prime agricultural land.

This bill provides for establishment of a new land use district, called the utility district, to include lands which are rated D or lower in agricultural productivity on the detailed land classification map of the Land Study Bureau of the University of Hawaii. Activities or uses permitted in agricultural and conservation districts shall be permitted in the utility district. Lands which are rated A, B, or C in productivity on the Land Study Bureau's detailed land classification map shall remain in the existing agricultural land use district.

This bill further amends existing law dealing with amendments to land use district boundaries. One new feature is to require the petitioner for a boundary change to submit an environmental impact statement to the office of environmental quality control. A second new feature permits changes in agricultural district boundaries only in conjunction with the five-year boundary review by the Land Use Commission. A third feature sets the minimum lot size for agricultural use at ten acres. Existing law sets the minimum lot size at one acre.

This bill also amends the real property tax assessment procedures to distinguish between marginal and prime agricultural lands. Specifically, for marginal lands in the utility district there are provisions that

consideration be given to rent, productivity, actual agricultural use and the opinions of persons who have knowledge of land values. Prime agricultural lands would be assessed at a lower percentage ratio of the agricultural lands in the utility district. Land reclassified or discontinued in agricultural use would revert to the regular real property tax assessment basis of market value.

Your Committee has amended the bill to omit section 3 dealing with appropriations since no appropriations are necessary for this measure.

Your Committee on Water, Land Use and Development is in accord with the intent and purpose of **H. B. No. 1746**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1746, H. D. 1** and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 267 Environmental Protection on H. B. No. 112

The purpose of this bill is to establish a state commission on population stabilization, which will make an in-depth study of the multitude of problems and factors attending the subject matter and to make recommendations to the legislature and government agencies.

The testimonies received by your Committee were of two types. Those supporting the bill commented generally only as to the makeup of the commissions. Those in opposition were of the opinion that population stability was already being reached by statistical indications over the past decade, and that there was no need for undertaking the study and planning contemplated by this bill.

Your Committee is of the opinion that much of our present day ills have resulted from the failure of our predecessors to study the prospects of forthcoming results. Accordingly, it is far better to have pondered a problem that fails to materialize than to be panicked at a future time by far-reaching consequences from which we may then have no recourse. We think that the risks inherent in such failure in the area covered by this bill are far too

serious to ignore.

Your Committee has effected changes to the membership make-up of the commission in line with the perceptive suggestions provided by the many supporting witnesses. Also, the original form of the bill was changed to ensure that sufficient attention is paid by the commission to the study of the relationship of population size and composition to the social environment.

Your Committee on Environmental Protection is in accord with the intent and purpose of **H. B. No. 112**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 112, H. D. 1** and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 268 Select Committee of Oahu Representatives on H. B. Nos. 1036, 1214, 1215, 1216, 1217, 1714, 1715, 1716, 1717, 1718, 1719, 1720, 1721, 1722, 1735, 1737, 1814, 1815, 1816, 1817, 1818, 1819, 1820, 1821, 1822, 1823, 1824, 1825, 1826, 1827, 1828, 1829, 1830, 1841.

The purpose of these bills is to appropriate sums of money to fund the various projects stated in their titles.

Your Select Committee of Oahu Representatives is in accord with the intent and purpose of **H. B. Nos. 1036, 1214, 1215, 1216, 1217, 1714, 1715, 1716, 1717, 1718, 1719, 1720, 1721, 1722, 1735, 1737, 1814, 1815, 1816, 1817, 1818, 1819, 1820, 1821, 1822, 1823, 1824, 1825, 1826, 1827, 1828, 1829, 1830, and 1841**, in the Eighth Representative District of Oahu, and recommends that they pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 269 Select Committee of Oahu Representatives on H. B. Nos. 1067, 1257, 1258, 1259, 1260, 1972

The purpose of these bills is to appropriate sums of money to fund the various projects stated in their titles.

Your Select Committee of Oahu Representatives is in accord with the intent and purpose of **H. B. Nos. 1067, 1257, 1258,**

1259, 1260, and 1972, in the Ninth Representative District of Oahu, and recommends that they pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 270 Select Committee of Oahu Representatives on **H. B. Nos. 709, 710, 1180, 1183, 1247, 1261, 1292, 1293, 1294, 1295**

The purpose of these bills is to appropriate sums of money to fund the various projects stated in their titles.

Your Select Committee of Oahu Representatives is in accord with the intent and purpose of **H. B. Nos. 709, 710, 1180, 1183, 1247, 1261, 1292, 1293, 1294, and 1295**, in the Tenth Representative District of Oahu, and recommends that they pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 271 Select Committee of Oahu Representatives on **H. B. Nos. 1228, 1575, 1527**

The purpose of these bills is to appropriate sums of money to fund the various projects stated in their titles.

Your Select Committee of Oahu Representatives is in accord with the intent and purpose of **H. B. Nos. 1228, 1525, and 1527**, in the Eleventh Representative District of Oahu, and recommends that they pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 272 Select Committee of Oahu Representatives on **H. B. Nos. 1022, 1224 1225**

The purpose of these bills is to appropriate sums of money to fund the various projects stated in their titles.

Your Select Committee of Oahu Representatives is in accord with the intent and purpose of **H. B. Nos. 1022, 1224, and 1225**, in the Fourteenth Representative District

of Oahu, and recommends that they pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 273 Select Committee of Oahu Representatives on **H. B. Nos. 1905, 1907, 1908**

The purpose of these bills is to appropriate sums of money to fund the various projects stated in their titles.

Your Select Committee of Oahu Representatives is in accord with the intent and purpose of **H. B. Nos. 1905, 1907, and 1908**, in the Fifteenth Representative District of Oahu, and recommends that they pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 274 Select Committee of Oahu Representatives on **H. B. Nos. 753, 1809, 1900**

The purpose of these bills is to appropriate sums of money to fund the various projects stated in their titles.

Your Select Committee of Oahu Representatives is in accord with the intent and purpose of **H. B. Nos. 753, 1809, and 1900**, in the Sixteenth Representative District of Oahu, and recommends that they pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 275 Select Committee of Oahu Representatives on **H. B. Nos. 820, 1683**

The purpose of these bills is to appropriate sums of money to fund the various projects stated in their titles.

Your Select Committee of Oahu Representatives is in accord with the intent and purpose of **H. B. Nos. 820 and 1683** in the Seventeenth Representative District of Oahu, and recommends that they pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

tee.

SCRep. 276 Select Committee of Oahu Representatives on **H. B. Nos. 904, 905, 906, 907, 908, 909, 1006, 1007, 1008, 1009, 1132, 1133, 1560, 1561, 1733**

The purpose of these bills is to appropriate sums of money to fund the various projects stated in their titles.

Your Select Committee of Oahu Representatives is in accord with the intent and purpose of **H. B. Nos. 904, 905, 906, 907, 908, 909, 1006, 1007, 1008, 1009, 1132, 1133, 1560, 1561, 1733**, in the eighteenth Representative District of Oahu and recommends that they pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 277 Select Committee of Oahu Representatives on **H. B. Nos. 205, 206, 207, 208, 209, 210, 211, 301, 343, 450, 451, 473, 602, 634, 763, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 885, 1061, 1278, 1279, 1283, 1284, 1285, 1371, 1627, 1632, 1645, 1646, 1686, 1687, 1689, 1694, 1739, 1741, 1763, 1764, 1773, 1774**

The purpose of these bills is to appropriate sums of money to fund the various projects stated in their titles.

Your Select Committee of Oahu Representatives is in accord with the intent and purpose of **H. B. Nos. 205, 206, 207, 208, 209, 210, 211, 301, 343, 450, 451, 473, 602, 634, 763, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 885, 1061, 1278, 1279, 1283, 1284, 1285, 1371, 1627, 1632, 1645, 1646, 1686, 1687, 1689, 1694, 1739, 1741, 1763, 1764, 1773, 1774**, in the twentieth representative district, and recommends that they pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 278 Select Committee of Oahu Representatives on **H. B. Nos. 279, 283, 285, 286, 289, 290, 291, 514, 981, 1034,**

1037, 1038, 1039, 1078, 1079, 1080, 1081, 1082, 1083, 1186, 1187, 1188, 1264, 1670, 1671, 1673, 1674, 1675, 1681

The purpose of these bills is to appropriate sums of money to fund the various projects stated in their titles.

Your Select Committee of Oahu Representatives is in accord with the intent and purpose of **H. B. Nos. 279, 283, 285, 286, 289, 290, 291, 514, 981, 1034, 1037, 1038, 1039, 1078, 1079, 1080, 1081, 1082, 1083, 1186, 1187, 1188, 1264, 1670, 1671, 1673, 1674, 1675, 1681**, in the twenty-third representative district and recommends that they pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 279 Select Committee of Oahu Representatives on **H. B. Nos. 485, 486, 487, 488, 489, 490, 739, 1058, 1059, 1269, 1271, 1471, 1472 and 1473**

The purpose of these bills is to appropriate sums of money to fund the various projects stated in their titles.

Your Select Committee of Oahu Representatives is in accord with the intent and purpose of **H. B. Nos. 485, 486, 487, 488, 489, 490, 739, 1058, 1059, 1269, 1271, 1471, 1472, 1473**, in the twenty-second representative district and recommends that they pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 280 Select Committee of Oahu Representatives on **H. B. Nos. 202, 564, 654, 655, 980, 1355**

The purpose of these bills is to appropriate sums of money to fund the various projects stated in their titles.

Your Select Committee of Oahu Representatives is in accord with the intent and purpose of **H. B. Nos. 202, 564, 654, 655, 980, 1355**, in the twenty-fourth representative district and recommends that they pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 281 (Majority) Water, Land Use and Development on **H. B. No. 1017**

The purpose of this bill is to refine and update the Land Use Law to have it better perform the functions it was designed to serve.

The refinements are in eight major areas. These are:

1. **Membership of the Land Use Commission.** The present law calls for a seven member commission, with one member from each senatorial district and one at large. It has no provisions for increasing the size of the commission when the number of senatorial districts increases. Since the law was passed, the number of Hawaii's senatorial districts has increased to eight. This bill expands the commission's size to 15 members to include the increases in the number of senatorial districts. In addition, aimed at more balanced and coordinated land use decisions, it adds the executive head of the planning departments of the four counties as ex officio nonvoting members. Upon consideration of testimony presented at a hearing, your Committee concludes that the county members should be equal voting members with the other members of the commission. Accordingly, your Committee has amended the bill to delete the nonvoting provision thus making the county members voting members.

2. **Ethical Standards.** This bill prohibits any member of the Land Use Commission from engaging in land development for profit except for five acres which is the member's personal residence.

3. **Public Hearing Site.** This bill adds a provision that public hearings be held on the appropriate island. The present provision stipulates only the appropriate county. Upon consideration, your Committee has amended the bill to further require that the hearings be held in a recognized geographic district of the appropriate island of the appropriate county. This is to allow public participation in the hearings. Your Committee thinks that those persons affected by land use decisions should not have to travel halfway around an island or to a second island to attend a hearing.

4. **Hearing Notice Announcements.** This bill adds a provision to send hearing notice announcements by certified mail to property owners and adjoining property owners.

Your Committee concurs with the provisions because the newspaper announcements sometimes are missed by the property owners affected by the hearings. The newspaper announcements also may be missed by owners living elsewhere.

5. **Commission Decisions in Writing.** This bill adds a provision requiring the Land Use Commission to state its findings of fact and render its decisions in writing, including a written minority opinion if the decision is not unanimous. The present law does not require written decisions or findings of fact. Your Committee concurs with the written provisions on the basis that this will protect the commission from unwarranted suspicion that land use decisions are made capriciously.

6. **Public Hearing Agenda.** This bill provides for voiding action taken by the Land Use Commission at a hearing if the subject matter at the hearing differs substantially from the announced agenda.

7. **Speculation.** This bill attempts to curb land sale speculation by adding a provision requiring improvements to begin within two years after a petition has been approved. It further provides that if the improvements are not completed within three years of the petition, the counties shall take court action requiring the petitioner to show good reason for his failure to complete the improvements. If these conditions are not met, the reclassified land reverts to its prior use. Upon consideration, your Committee thinks the county court order should be optional rather than mandatory. Accordingly, your Committee has amended the court order provision from "shall" to "may". This section deals with reversion to prior use. Technically, the reversion is to prior classification. The bill has been amended so that the word "use" is deleted and the correct word "classification" is inserted.

8. **County Reviews.** In line with the aim of balanced and coordinated land use decisions, your Committee has amended the bill to add provisions for the counties to make a comprehensive review of their general plans during the same periods in which the State Land Use Commission is making its five year review.

Your Committee on Water, Land Use and Development is in accord with the intent and purpose of **H. B. No. 1017**, as

amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1017, H. D. 1** and be referred to the Committee on Finance.

Signed by all members of the Committee.

Representative Ajifu did not concur.

SCRep. 282 Public Employment on H. B. No. 441

The purpose of this bill is to eliminate the retirement system provision which reduces the retirement allowance when a person retires before age 55.

The provision in this bill which would increase the present one-fiftieth or 2% computation rate to 2½% has been deleted.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 441**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 441, H. D. 1** and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 283 Public Employment on H. B. No. 442

The main purpose of this bill is to provide for the equal apportionment of union members and employers on the Board of Trustees of the State Retirement System. This bill also proposes to allow the Board of Trustees the sole power to determine benefits and eligibility for benefits, to invest retirement funds and employ persons necessary to administer the system.

The Board of Trustees presently consists of seven members: the Director of Finance, ex-officio; three members elected by the membership, one of whom must be a school teacher and two of whom must be general employees; and three members who are appointed by the Governor, one of whom must be a banker or with similar experience.

This bill would change the composition of the Board from seven members to eight as follows:

Four to be elected by the members, all

of whom shall be general employees, to be known as "union trustees",

Four to be appointed by the Governor, all of whom shall be either directors or deputy directors of departments of the State or county governments, to be known as "employer trustees".

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 442** 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. 284 (Majority) Public Employment on H. B. No. 443

The purpose of this bill is to lower the mandatory retirement age of public employees from seventy to sixty-five years.

Your Committee has amended this bill to more effectively carry out its purpose. Provision to waive the mandatory retirement under specific conditions are included. The effective date of this bill would be July 1, 1976.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 443**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 443, H. D. 1** and be referred to the Committee on Finance.

Signed by all members of the Committee.

Representative Fong did not concur.

SCRep. 285 Public Employment on H. B. No. 1144

The purpose of this bill is to permit the Governor, mayors, the Board of Education or the Board of Regents, as the case may be, to adjust the compensation, hours, and other terms and conditions of employment and other benefits for officers and employees in their respective jurisdiction who are excluded from collective bargaining.

The adjustments to be made are to be consistent with the terms negotiated in the applicable collective bargaining agreement

for the unit to which the excluded officers and employees would have been assigned had they not been excluded, and said adjustments would become effective no earlier than the effective dates of the provisions contained in the agreements.

The public employees collective bargaining law makes no provision for adjusting the compensation, hours of work and other terms and conditions of employment for excluded officers and employees. These officers and employees are excluded from collective bargaining, not by personal choice, but because the nature of their work are considered top level managerial or confidential. Government should accord such excluded officers and employees at least the equivalent benefits gained by employees through collective bargaining agreements, thereby maintaining the principle of "equal pay for equal work."

In reviewing this bill, your Committee recognized the need for maintaining uniformity throughout the State, particularly among civil service employees. Your Committee further recognized that all provisions contained in a collective bargaining agreement may not necessarily be equally applicable to excluded officers and employees. Accordingly, your Committee has amended this bill by inserting the provision that the specific provisions which are to be adjusted shall be recommended by the Conference of Personnel Directors, Superintendent of Education, or the President of the University of Hawaii, as applicable, subject to the approval of the respective chief executive, Board of Education or Board of Regents thus assuring uniformity as well as adequacy and pertinency of adjustments to be made.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 1144**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1144, H. D. 1** and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 286 Public Employment on H. B. No. 874

The purpose of this bill is to give eligibility rights to widowers of deceased pensioners. Presently, only widows of retirees can

claim and receive pensions. This bill would be in line with the concept of equal rights of sexes.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 874** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 287 Public Employment on H. B. No. 497

The purpose of this bill is to give public employees the right to purchase prior military service in the State Retirement System irrespective of whether the employee had been an employee of the State or County or irrespective of whether the employee had been a citizen of the State of Hawaii prior to his induction into the Armed Forces.

This type of bill has in the past been opposed because it would open the door to retired service personnel who, after twenty or thirty years of service in the Armed Forces and who have retired, to enter the State and County and further enhance their retirement by buying the twenty or thirty years of military service at the expense of the State.

This bill, however, would provide limits to the purchase of military credit in the Retirement System. It would provide that any employee of the State or County who has had prior military service before entering the service of the State or County may purchase two years prior military credit in the Retirement System after he has served for fifteen years in the State or County. After twenty years of service in the State or County, he may purchase up to three years. After twenty-five years of employment with the State or County, he may purchase up to four years.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 497** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 288 Public Employment on H. B.

No. 373

The purpose of this bill is to include district court judges under the retirement benefit based on 3½% of average final compensation. Presently, supreme court justices and circuit court judges are the only types of judges who are entitled to a preferential retirement benefit similar to that for elected officers.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 373** and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 289 Public Employment on H. B. No. 870

The purpose of this bill is to permit the State and County to classify and assign positions to salary ranges, SC-1, SC-2 and SC-3.

Presently, county positions, except for physician and psychiatrist positions, cannot be classified and assigned to these positions although State positions are not subject to this restriction.

Your Committee has amended this bill to allow the State to classify and assign not more than fifteen SC-1, SC-2, SC-3 positions and to allow each county to classify and assign not more than 5 SC-1, SC-2, and SC-3 positions.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 870**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 870, H. D. 1** and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 290 Public Employment on H. B. No. 681

The purpose of this bill is to permit any county employee who retired prior to July 1, 1945 and who is drawing a pension, to elect to become a member of the State Retirement System and be entitled to benefits under part II-C of chapter 88. It also

provides for a blank appropriation to buy back service credit.

Your Committee has amended this bill to specify that previous service credit must be purchased by retired county pensioners eligible to become members of the State Retirement System under this bill.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 681**, as amended herein, and recommends that it pass second reading in the form attached hereto as **H. B. 681, H. D. 1**, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 291 Public Employment on H. B. No. 563

The purpose of this bill is to place all house parents at the Hawaii School for the Deaf and the Blind on a full twelve-month employment schedule.

Presently, these house parents are employed for only ten months of each year because of the schedule of the school. During the remaining months, they must use up any accumulated vacation and apply for unemployment compensation. This is unfair to the workers and results in many problems with the Health Fund and other benefits.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 563** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 292 Public Employment on H. B. No. 445

The purpose of this bill is to provide a retirement benefit for ordinary disability which is comparable to that for service retirement.

Under existing law, the ordinary disability consists of 25% of average final compensation for service of 10-15 years plus 1% for each full year of service over 15. This benefit is low when compared to the benefit for service retirement, consisting

of 2% of average final compensation multiplied by the number of years of creditable service. Thus, a person with 20 years of service will receive only 30% of average final compensation as compared to 40% if such a person were able to retire for service below age 55 with less than 25 years of service.

This bill would increase the retirement benefit by providing an allowance of 1¾% of average final compensation multiplied by the number of years of creditable service but in no event would the benefit be less than 30% of average final compensation. Hence, a person with 20 years of service would receive a benefit of 35% of average final compensation (1.75% × 20 years), as against 30% under existing law.

The Actuary for the retirement system estimates that this benefit would cost approximately \$450,000 per year of which the State's share would be \$337,500.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 445** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 293 Public Employment on H. B. No. 444

The purpose of this bill is to provide that the surviving spouse of a retirement system member who dies in service when he was eligible for service retirement may elect to receive a slightly more general allowance than presently provided under law.

Presently, the surviving spouse may elect to receive Option 3 which pays one-half of the monthly benefit a retired employee receives if the retiree dies.

This bill would change the option choice from Option 3 to Option 2, which pays the same monthly benefit to a survivor that the retiree receives while he is alive. This is a more generous benefit and would encourage qualified employees to remain in service and not leave as soon as they are eligible for service retirement.

According to the Actuary for the Retirement System the cost to provide this benefit would be approximately \$1.0 million a year

with the State's share amounting to about \$750,000.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 444** 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. 294 Public Employment on H. B. No. 1515

The purpose of this bill is to provide for the transfer of all employees of the department of defense who are engaged as security guards assigned to the Capital Security Complex to the department of the attorney general. This bill also provides that security guards would have powers of police officers while in actual performance of their duties as security guards, which duties include off-duty employment when such employment is for other state departments or agencies.

Your Committee has amended this bill to more effectively carry out the above purpose.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 1515**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1515, H. D. 1** and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 295 Public Employment on H. B. No. 1246

The purpose of this bill is to amend the Retirement System law relating to conditions under which an employee may purchase membership service for certain types of prior employment, as follows:

(1) Relating to wartime service with federal defense agencies, this bill changes the cutoff date of 1945 to 1947 and gives this coverage to employees who returned to government service, instead of to their regular job. There are a few employees who would otherwise be eligible to purchase this credit who returned from wartime defense work after 1945, but by 1947 some

of them cooperated with their appointing authorities and accepted other government jobs. This bill would allow these individuals to purchase membership credit.

(2) This bill would permit former Leahi Hospital employees who are employed elsewhere in government or have since returned to work at Leahi Hospital to purchase membership credit.

(3) This bill would permit employees of Pahala Hospital, now known as Ka'u General Hospital to purchase membership service.

Your Committee has amended this bill for clarity. The reference to Ka'u Hospital has been changed to Pahala Hospital, now known as Ka'u Hospital.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 1246**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1246, H. D. 1** and that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 296 Public Employment on H. B. No. 1291

The purpose of this bill is to provide for the conversion of non-civil service employees under the Hawaii International Services Agency to permanent civil service status, without examination or reduction in pay, and be accorded such civil service rights and privileges as seniority, prior service credit, vacation and sick leave.

The Hawaii International Services Agency was created under Act 198, SLH 1967 for the purpose of enhancing and developing the economic growth and potentials of the State, including assistance and stimulation of Hawaii's business community in the development and expansion of international activities. At the present time, there are 7 positions in this program.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 1291** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

tee.

SCRep. 297 Public Employment on H. B. No. 819

The purpose of this bill is to grant permanent civil service status to employees who were hired under the federal Emergency Employment Act and the federal Manpower Development and Training Act, as amended, without loss of pay and with full civil service benefits. These employees were hired and are currently employed under civil service exempt status.

The Emergency Employment Act of 1971 provides unemployed and underemployed persons with transitional jobs in times of high unemployment with emphasis on assisting 143 Public Employment Personnel (PEP) participants to obtain permanent employment with the hiring agency. The Public Services Career (PSC) program seeks to secure permanent jobs for 100 disadvantaged persons in State government agencies. This bill would allow the State to retain the valued services of these employees.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 819** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 298 Public Employment on H. B. No. 745

The purpose of this bill is to increase the post-retirement allowance for all pensioners under the State retirement system to a rate of 3½% per year. This would give the pensioners some degree of adjustment in their retirement income against the rising cost of living due to inflation.

Section 88-45, Hawaii Revised Statutes, provides for contribution of 1.8% of compensation on the part of the employees to the post-retirement fund, while section 88-115 provides that the State and county governments shall contribute 2.5% of annual salaries to the post-retirement fund. If the same ratio of contributions between employee and employer is maintained, the increased benefit under this bill would require contributions of 3.82% on the part of the employee and 5.20% on the part of

the employer. Additional general fund requirements for biennium 1973-1975 under this bill are estimated to be \$15,364,600.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 745** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 299 Public Employment on H. B. No. 865

The purpose of this bill is to authorize the county in which the retiree resides to count all county service to determine eligibility for the pension applicant. Presently, only service performed in one county can be counted toward a pension.

For instance, an employee could have performed four years service on Oahu, three years on Kauai and seven years on Hawaii and still not earn a county pension because he did not meet the ten-year single county employment requirement established by law. This bill would correct this situation.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 865** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 300 Public Employment on H. B. No. 867

The purpose of this bill is to assign to the directors of personnel services of the State and the counties, with the approval of the respective chief executives, the authority to promulgate rules and regulations on leaves. Existing law authorizes rules and regulations on vacations and sick leaves but is silent on promulgation of rules on other leaves.

Your Committee has amended this bill to more effectively carry out its purpose.

Your Committee on Public Employment 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 that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 301 Public Employment on H. B. No. 1498

The purpose of this bill is to provide that the director may, with the prior approval of the chief executive, declare a shortage category. This bill also deletes the requirement of reporting all shortage category determinations to the legislature.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 1498** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 302 Public Employment on H. B. No. 1834

The purpose of this bill is to design the State retirement system's allowance formula or plan to take into consideration benefits available to retirees under the Social Security Act, thereby precluding a drift towards excessive employee and employer cost and benefits.

Your Committee has redrafted short-form bill into long form.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 1834**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1834, H. D. 1** and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 303 Public Employment on H. B. No. 127

The purpose of this bill is to correct an error caused by Act 157, Session Laws of Hawaii 1971, by restoring the provisions which will permit the effective date of retirement to be set by the Board of Trustees which date shall not be earlier than 30 days from the filing of the application.

Act 157, Session Laws of Hawaii amended the section of law dealing with ordinary disability retirement to permit any member to file an application for ordinary disability retirement even if on a leave of absence without pay. However, the Act referred to the statute which existed under the Hawaii Revised Statutes prior to a 1969 amendment under Act 110 and, in so doing, inadvertently restored the previous requirement that the effective date of retirement for ordinary disability retirement shall be not less than 30 nor more than 90 days from the filing of the application. Inadvertently repealed were the provisions of Act 110, Session Laws of Hawaii 1969, which provided that the effective date shall be set by the Board of Trustees, which date shall not be less than 30 days from the filing of the application. This bill would correct this matter.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 127** 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. 304 Public Employment on H. B. No. 438

The purpose of this bill is to provide for bilateral participation in the biennial review of the general condition of the compensation schedules for public employees. This bill would provide that public employee organizations may attend these meetings with both voice and vote.

Your Committee has amended this bill:

(1) By limiting the representatives of employee organizations entitled to participate in the biennial review to one representative from the Police, Firefighters and Nurses Unions and two representatives from the American Federation of State, County and Municipal Employees.

(2) By limiting the employee organization's right to vote to only those matters affecting it.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 438**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No.**

438, H. D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 305 Public Employment on H. B. No. 341

The purpose of this bill is to delete references to prevailing wage techniques as the basis for setting the pay for blue collar employees.

With the passage of the public employees collective bargaining law wherein wage rates have been made negotiable, the provisions of Section 77-5 referring to wage rates have become obsolete.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 341** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 306 Public Employment on H. B. No. 320

The purpose of this bill is to provide for the appointment of security investigators in the Department of the Attorney General and to transfer personnel, presently performing security functions, from the Governor's office to the Department of the Attorney General.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 320** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 307 Public Employment on H. B. No. 352

The purpose of this bill is to provide prison guards with the same retirement benefits as policemen and firemen.

Under existing law, prison guards are in the same benefit structure as general public officers and employees. On the other hand, jail guards under the jurisdiction of the various county police departments are con-

sidered policemen and presently enjoy the benefits given to policemen and firemen under the retirement law. To include jail guards and exclude prison guards who do similar work is inequitable.

The Actuary for the Retirement System has estimated that the annual cost to provide the improved benefit for prison guards, or correctional officers, to be approximately \$85,000 per year.

Your Committee notes that prison guards have been reclassified as correctional officers and has amended this bill to reflect this fact.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 352**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 352, H. D. 1**, and that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 308 Water, Land Use and Development on **H. B. No. 968**

The purpose of this bill is to amend Section 171-37, H.R.S., to permit longer lease terms for public lands used for intensive agriculture or pasture.

The present law limits such leases to 25 years with a possible extension to 35 years if the land requires extensive improvements. This bill would permit an initial lease of 35 years with a possible extension to 45 years if extensive improvements are required.

Your Committee thinks the longer lease term will enable the lessee to obtain financing more easily.

At a hearing on this bill, your Committee received supporting testimony from the Department of Land and Natural Resources, the Department of Agriculture, the Hawaiian Sugar Planters' Association and the Hawaii Farm Bureau Federation. The Hawaii Farm Bureau said the longer lease will allow better planning of the farm enterprise, better financing arrangements and lower cost of production because expenses can be amortized over a longer period.

Your Committee on Water, Land Use and Development is in accord with the intent and purpose of **H. B. No. 968** and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 309 Finance on **H. B. No. 1003**

The purpose of this bill is to conform certain sections of the Hawaii Revised Statute relating to federal tax liens to the federal statute prescribing that such liens are to 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; ..."

The law of this state is set forth in Sec. 505-1 which provides that "notices of liens for internal revenue taxes payable to the United States and certificates [affecting] ... such liens may be recorded in the bureau of conveyances ..." However, the very same statute goes on to raise an ambiguity by providing further that "... and when such liens [etc.] ... are to affect registered land, may be filed in the office of the assistant registrar of the land court; ..."

This bill deletes the latter provision to remove doubt regarding the place for filing of the subject liens, and correlatively amends Sec. 505-4 by deleting reference to the fee for filing the same in the office of the assistant registrar of the land court.

Your Committee on Judiciary from which this bill was referred under **Stand. Com. Rep. No. 123** following its passage on second reading, effected certain substantive amendments enumerated therein by the addition of new sections to the bill which consist, essentially, of exceptions qualifying certain sections in chapter 501, relating directly to land court registration. They shall not be restated hereat, in that your Committee on Finance received essentially the same testimony from the Internal Revenue Service endorsing passage, except as to the provisions which were heretofore added, two of which we have, essentially technically, reamended.

(1) Section 3 of the bill, amending Sec. 501-82(1), relating to exceptions to tenure of the holder of a certificate of title, has been further amended (a) as to statutory style, and (b) in conformity with the "liens

for 'internal revenue' taxes payable" language of Sec. 505-1 which the bill was introduced to amend.

(2) Section 4 of the bill, amending Sec. 501-102, relating to the filing of (land court) liens (affecting registered land) and notice, has also been further amended (a) as to statutory style, and (b) in conformity with the "recording" (vice "filing") language as to the subject liens under chapter 505.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 1003, H. D. 1**, as amended herein, and recommends that it pass third reading in the form attached hereto as **H. B. No. 1003, H. D. 2**.

Signed by all members of the Committee.

SCRep. 310 Finance on H. B. No. 160

The purpose of this bill is to delete from Sec. 297-6, Hawaii Revised Statutes, those provisions which specify and relate to the maximum number of district superintendents appointable in the several counties by the superintendent of education.

The statute hereby amended conflicts with the provisions of Sec. 298-17 which authorizes the department of education to designate school districts "in its discretion as it deems most advisable." In testimony before your Committee, the superintendent of education expressed concern, furthermore, that statutory specification thereof "restricts to board of education's constitutional power to exercise control over the public school system by restricting the organizing authority of the said board in its operation of the school system."

Furthermore, the superintendent of education assured your Committee that the effect of this bill does not vest in the department unrestricted discretion as to the number of district superintendents, any changes in organization being subject to approval by the governor and funding by the legislature.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 160** and recommends that it pass third reading.

Signed by all members of the Commit-

tee.

SCRep. 311 Finance on H. B. No. 1519

The purpose of this bill is to prevent the lapse of \$701,000 in funds appropriated to the department of education by Act 68, Session Laws of Hawaii 1971, for book purchases, the contract for which has been put out to competitive bid but the execution of which has been prevented by legal disputes.

The bill provides that notwithstanding the provisions of Section 37-41 and Section 40-66, Hawaii Revised Statutes, funds appropriated by Act 68, Session Laws of Hawaii 1971, to the department of education for the purchase of library books for the fiscal year 1972-73 shall not lapse.

The contract in question is for the purchase of various trade, professional and scientific books, journals and magazines over a three-year period, consisting of three parts, only one of which is in litigation. (See *Bro-Dart, Inc. v. Comptroller of the State of Hawaii and Baker & Taylor Co., Inc.*, Civil No. 38381, Circuit Court of the First Circuit, State of Hawaii). The claim that the contract was illegally awarded was dismissed upon motion for summary judgment and is presently pending appeal.

Your Committee had entertained the alternative of allowing the appropriation to lapse and providing for the difference in the General Appropriations Act of 1973. However, we are informed by the superintendent of education that unless presently acquired, many of the affected publications may or will go out of print and cannot be replaced. And, if the litigation is not concluded and the contract not executed before June 30, 1973, the funds will lapse.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 1519** and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 312 Finance on H. B. No. 326

The purpose of this bill is to modify the definition of "displaced person" in the law providing for assistance to those required

to move because of government action, by excluding occupiers of state land under a revocable permit.

The findings and declaration of legislative purpose expressed in chapter 111, Hawaii Revised Statutes, Sec. 2 of which this bill proposes to amend, states, in relevant part, that:

“[P]ersons displaced by any action, undertaken by any state or county governmental agency should be compensated for such displacement **under certain circumstances**. The purpose of this chapter is to establish a uniform policy for the fair and equitable treatment of owners, tenants, other persons, and business concerns displaced by the **acquisition** of real property for public or other purposes in the public interest, by building, zoning, and other similar **code enforcement** activities, or by a program of **voluntary rehabilitation** of buildings or other improvements conducted pursuant to governmental supervision.” (Emphasis added).

The chapter provides for various forms and amounts of remuneration and restitution to persons qualifying, including relocation and optional payments for dwellings, business and farm operations, replacement housing payments, and for relocation assistance programs.

According to testimony presented by the department of land and natural resources, revocable permits for the occupancy of land owned by the State are issued “for one or both of two purposes:

“To permit temporary use of State lands until planned more permanent disposition can be made, and to assist people who need temporary use of land. Permits are charged for at rates far below fair market rental because the State reserves the right to cancel the permit at any time upon giving the permittee thirty days’ notice in writing of intent to cancel.”

Because this measure is proposed for passage by the administration, in justification thereof your Committee will continue to quote from the testimony of the aforesaid agency which is directly concerned with the substantive effect of the proposed amendment (notwithstanding that the Hawaii housing authority is charged with administering the statute itself. Ac-

ording to department of land and natural resources sources:

“Since a [revocable] permit is of its nature a temporary permission to use State land and since the intention of the State in issuing such permit is to make interim use of the land until it is ready to develop it or put it to other more permanent use, **it is not reasonable that the State should be required to pay the permittee for displacing him**. The permittee is made to understand he will be so dispossessed at any time the State has a requirement for the land for a better use, and the permittee agrees to and signs the permit under those conditions.***”

Your Committee has amended the proposed amendment as to style and:

(1) To include in the definition of “displaced person”, as not included in this chapter, “a tenant upon” in addition to “an occupier of” state land.

(2) To provide that the Act shall apply only to a revocable permit “which is issued or renewed on or after [its] effective date”

These modifications meet with the approval of the department sponsoring the bill.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 326**, as amended herein, and recommends that it pass second reading in the form attached hereto as **H. B. No. 326, H. D. 1**, and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 313 Health on H. B. No. 44, H. D. 1

The purpose of this bill is to give the department of health authority to promulgate regulations regarding toys and other articles intended for use by children and presenting electrical, mechanical or thermal hazard to them.

The department of health has testified favorably on this bill except as to the provisions describing how the electrical, mechanical or thermal hazards are presented and indicating that such descrip-

tions should be covered by regulations rather than statutory law. Your Committee agrees with such suggestion and has accordingly amended the original form of the bill.

Your Committee has also amended the original bill to avoid reciting section 321-11, Hawaii Revised Statutes, in its entirety.

Your Committee on Health is in accord with the intent and purpose of **H. B. No. 44**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 44, H. D. 1** and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 314 Public Employment on H. B. No. 87

The purpose of this bill is to prohibit discrimination in public employment based on race, sex, age, religion, color, ancestry or politics. This bill would amend Chapter 76, Hawaii Revised Statutes, by including language to reflect requirements contained in the Equal Employment Opportunity Act and the Fair Employment Practices Act.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 87** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 315 Consumer Protection on H. B. No. 336

The purpose of this bill is to amend chapter 231, Hawaii Revised Statutes relating to the administration of taxes by adding to the chapter a new section which prohibits the disclosure of information by tax preparers.

Under existing law, a state employee is subject to punishment if he wilfully releases any information relating to a taxpayer's return. This bill, except for two situations, imposes a similar restriction on individuals who prepare tax returns for others. The two exceptions are when required by court and as authorized by law. Your Committee believes the bill's proposal is reasonable as it will assure the right

of privacy of individuals.

Your Committee on Consumer Protection is in accord with the intent and purpose of **H. B. No. 336** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 316 Consumer Protection on H. B. No. 1562

The purpose of this bill is to permit the Office of Consumer Protection to contract with other public or non-profit private agencies for the performance of any of the office's function, except such functions that relate to enforcement of rules and regulations, within the agency's budget limitation. The Director of the Office of Consumer Protection endorses the passage of the bill.

Your Committee on Consumer Protection is in accord with the intent and purpose of **H. B. No. 1562** and recommends that it pass Second Reading and that it be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 317 Health on H. B. No. 105

The purpose of this bill is to amend the language of section 338-14, Hawaii Revised Statutes, to permit the spouse of a veteran — be it wife or husband — to obtain free certified records and birth certificates. Your Committee has made a non-substantive change for purposes of style.

Your Committee on Health is in accord with the intent and purpose of **H. B. No. 105**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 105, H. D. 1** and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 318 Select Committee of Hawaii Representatives on H. B. No. 1334

The purpose of this bill is to amend Act 197, Session Laws of 1972, to allow greater flexibility in financing a program for the planning and development of North Kohala.

Act 197 authorized a comprehensive program for the economic development of the North Kohala area and the program is about to be initiated. Section 3 of the Act appropriated the sum of \$3,700,000 from general obligation bond funds of the state for purposes of planning and development.

This bill proposes to amend Act 197 by allowing the financing of the North Kohala development program from either general revenues of the state or through general obligation bonds. Your Committee has been informed by the department of budget and finance that the use of general obligation bond funds for the project would raise legal problems which could possibly affect the tax exempt status of the bonds to be issued. In the department's opinion the proposed amendment would also provide greater financial flexibility in the funding of the project, including the possible use of federal funds that may become available later.

Your Committee agrees with the department of budget and finance that this bill would provide a desirable flexibility in the funding of the North Kohala project. After consideration of the bill, it is of the opinion that an extension of the period within which moneys appropriated for the project can be used would also be desirable as the project will not be completed by the present lapse date of the appropriation, June 30, 1973. It has therefore amended the bill by extending the lapse date for the appropriation to June 30, 1974.

Your Select Committee of Hawaii Representatives is in accord with the intent and purpose of **H. B. No. 1334**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1334, H. D. 1**, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 319 Select Committee of Oahu Representatives on **H. B. Nos. 237, 239, 258, 259, 260, 261, 510, 516, 550, 551, 552, 553, 554, 595, 724, 725, 726, 914, 1107, 1248**

The purpose of these bills is to appropriate sums of money to fund the various projects stated in their titles.

Your Select Committee of Oahu Representatives is in accord with the intent

and purpose of **H. B. Nos. 237, 239, 258, 259, 260, 261, 510, 516, 550, 551, 552, 553, 554, 595, 724, 725, 726, 914, 1107, 1248**, in the Twelfth Representative District of Oahu, and recommends that they pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 320 Select Committee of Oahu Representatives on **H. B. Nos. 549, 701, 836, 838, 1244, 1245, 1312, 1996, 1997**

The purpose of these bills is to appropriate sums of money to fund the various projects stated in their titles.

Your Select Committee of Oahu Representatives is in accord with the intent and purpose of **H. B. Nos. 433, 549, 701, 836, 838, 1244, 1245, 1312, 1996, and 1997**, in the Thirteenth Representative District of Oahu, and recommends that they pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 321 Select Committee of Oahu Representatives on **H. B. No. 755, 756, 757, 758, 759, 760, 761, 934, 935, 936, 937, 1118, 1119, 1120, 1121, 1122, 1123, 1124, 1125, 1126, 1127, 1220, 1221, 1222, 1546, 1553, 1554, 1555, 1556, 1557, 1558, 1559, 1570, 1571, 1572, 1573, 1574, 1799, 1801, 2016, 938**

The purpose of these bills is to appropriate sums of money to fund the various projects stated in their titles.

Your Select Committee of Oahu Representatives is in accord with the intent and purpose of **H. B. Nos. 755, 756, 757, 758, 760, 759, 761, 934, 935, 936, 937, 1118, 1119, 1120, 1121, 1122, 1123, 1124, 1125, 1126, 1127, 1220, 1221, 1222, 1546, 1553, 1554, 1555, 1556, 1557, 1558, 1559, 1570, 1571, 1572, 1573, 1574, 1799, 1801, 2016, 938** in the Nineteenth Representative District of Oahu, and recommends that they pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 322 Select Committee of Oahu Representatives on **H. B. Nos. 926, 927, 928, 929, 1108, 1109, 1666**

The purpose of these bills is to appropriate sums of money to fund the various projects stated in their titles.

Your Select Committee of Oahu Representatives is in accord with the intent and purpose of **H. B. Nos. 926, 927, 928, 929, 1108, 1109, 1666**, in the twenty-first representative district, and recommends that they pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 323 Public Welfare and Assistance on H. B. No. 1638

The purpose of this bill is to make an appropriation to expand the Foster Grandparent Program to include recreational, educational and guidance service for non-retarded children.

Your Committee on Public Welfare and Assistance is in accord with the intent and purpose of **H. B. No. 1638** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 324 Public Welfare and Assistance on H. B. No. 1347

The purpose of this bill is to provide for the continuation of those aspects of the work of the Welfare Recipients Advisory Council deemed to be effective and appropriate for assumption by the Progressive Neighborhoods program beyond the federally funded demonstration period ending June 30, 1973.

Your Committee on Public Welfare and Assistance is in accord with the intent and purpose of **H. B. No. 1347** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 325 (Majority) Education on H. B. No. 1155

The purpose of this bill is to amend Section 296-17 of the Hawaii Revised Statutes by authorizing the Department of Education to sell and receive royalties on patents and copyrights. All sums of money received from sales and royalties will be put in a separate revolving fund kept by

the Department of Education for the purpose of defraying some or all of the expenses incident to the development, preparation, publication and sale of educational materials or equipment. Money currently earned is deposited to the credit of the general fund of the State.

The Department of Education is receiving numerous requests for several of its innovative teaching materials. A case in point is the Hawaii English Program. Currently the Department's budget includes publication cost for only its use. Any publications which are sold is a drain on the Department's budget. Royalties and receipts from sales of publications would offset cost to the Department and could be further used to fund other publications of Department's educational materials.

Your Committee on Education is in accord with the intent and purpose of **H. B. No. 1155** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

Representatives W. Chong, Amaral and Saiki did not concur.

SCRep. 326 Public Employment on H. B. No. 124

The purpose of this bill is to provide for additional exclusions from the State collective bargaining law of certain employees and positions. The additional exclusions are employees or positions in the governor's executive office and household, in the lieutenant governor's office, inmates, kokuas, patients, wards, students, etc.

Your Committee has amended this bill in the following respects:

(1) On line 11 of page 1, the words "employee of the office of the governor" has been corrected to read "employee of the executive office of the governor".

(2) On line 14 of page 1, the word "sheriff" and the phrase "person employed on a fee or piecework basis who may lawfully perform his duties concurrently with his private business or profession or other employment" is deleted in its entirety, and the employee of the mayor's office and the staff of the legislative branch of the State and Counties have

been added.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 124**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 124, H. D. 1** and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 327 Public Employment on **H. B. No. 84**

The purpose of this bill is to repeal Section 76-34, Hawaii Revised Statutes, relating to maternity leave. Leaves for maternity reasons, however, may still be taken under the general leave provisions of Section 76-32 and general sick leave provisions.

Your Committee has amended this bill to effectuate the above purpose.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 84**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 84, H. D. 1**, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 328 Public Employment on **H. B. No. 440**

The purpose of this bill is to provide that a public employee who retires or leaves the government service in good standing with sixty or more days of unused sick leave would be entitled to additional service credit in the retirement system.

Your Committee finds that a very small percentage of government employees do at times abuse their sick leave privileges. This small percentage of employees has caused the other employees to question whether or not sick leave privileges should be treated as a privilege and not something to be taken advantage of. Your Committee feels that providing for a retirement credit for unused sick leave would reward those employees who did not take advantage of the sick leave privilege.

Your Committee on Public Employment is in accord with the intent and purpose of

H. B. No. 440 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 329 Water, Land Use and Development on **H. B. No. 1129**

The purpose of this bill is to appropriate funds for the Hawaiian Homes Commission that they may engage legal consultants and employ a secretary.

In testimony presented in a public hearing to your Committee, several witnesses indicated a pressing and urgent need to employ a secretary and to engage legal consultants for much needed advice and expertise to manage the increasingly technical and complex nature of present day demands. Upon further testimony, it was indicated that presently, the Attorney General's office provides legal advice to the Commission, however it was felt that the Hawaiian Homes lessees could be more effectively and impartially represented by legal consultants from the private sector.

Therefore, this bill has been amended by specifying consultants to mean legal consultants in the private sector.

Your Committee feels that appropriate funding of this bill is justified for the purpose it will serve the Hawaiian Homes Commission with needed legal consultants and clerical support.

Your Committee on Water, Land Use and Development is in accord with the intent and purpose of **H. B. No. 1129**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1129, H. D. 1** and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 330 Water, Land Use and Development on **H. B. No. 1062**

The purpose of this bill is to appropriate funds for the repair, renovation and replacement of homes on the Keaukaha Hawaiian Home Lands.

In testimony before your Committee, it was stated that there were shifts in zoning in 1968 from homestead to residential to light industrial and then back to home-

stead residential in 1972. During the intervening years between 1968 and 1972, no funds were made available for building replacement homes, or for repairs because of the Hawaiian Homes Commission plans adopted by the Hilo County Master Plan. The Department of Hawaiian Home Lands and the Keaukaha-Panaewa Community Association agree that out of the 257 occupied residences, 133 need to be replaced and 124 homes are in needs of repairs and renovations to be livable.

In view of the urgent and desperate need of funds to replace, repair and renovate existing homes in Keaukaha Hawaiian Homes housing project, your Committee finds that a sum of \$500,000 is justified for purposes of this Act. Your Committee accordingly has amended the bill to insert the sum of \$500,000 in the blank space for the appropriation.

Your Committee on Water, Land Use and Development is in accord with the intent and purpose of **H. B. No. 1062**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1062, H. D. 1** and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 331 Water, Land Use and Development on H. B. No. 1747

The purpose of this bill is to amend Section 213 of the Hawaiian Homes Commission Act of 1920, by the addition of the Hawaiian home-educational loan fund.

Presently, there are 6 revolving funds and 2 special funds in the Hawaiian Homes Act. The Hawaiian Home educational loan fund would provide to qualified lessees of Hawaiian Home Lands a loan fund in the pursuance of an education on the undergraduate, college or graduate levels. It is recognized by your Committee that in many situations insistence has been made by the job market for college specialized and trained individuals. It is further recognized by your Committee that educational training in the past has furthered economic and social advancement and well-being.

Your Committee urges appropriate financing and reasonable terms for the loans as it is anticipated that this bill could sustain a needed advantage of financing in-

creasing costs of higher education.

Your Committee on Water, Land Use and Development is in accord with the intent and purpose of **H. B. No. 1747** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 332 Water, Land Use and Development on H. B. No. 1868

The purpose of this bill is to provide funds for a feasibility study of the Royal Brewery in Honolulu as an Heritage House or History Center as a major element of the 1976 Bicentennial celebration of the American Revolution.

The funds would be used for an appraisal and search of title of the Royal Brewery property and an architectural program and operating plan.

Your Committee heard testimony indicating that about \$50,000 would be needed for this project. Accordingly, your Committee has amended this bill to insert the sum of \$50,000 in the blank space for the appropriation.

Your Committee also has amended the title and body of the bill to remove the misplaced comma between the words architectural and program.

Your Committee on Water, Land Use and Development is in accord with the intent and purpose of **H. B. No. 1868** as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1868, H. D. 1** and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 333 Water, Land Use and Development on H. B. No. 1470

The purpose of this bill is to establish a hunter-safety training program under the administration of the Department of Land and Natural Resources to provide training instruction in hunter safety, principles of conservation and sportsmanship.

Your Committee heard testimony indi-

cating that Hawaii is one of only three states which do not now have a hunter-safety training program. The merits of this kind of program are known and in some states persons wishing to buy a hunting rifle are required to show a certificate indicating completion of a hunter-safety course before the purchase is permitted.

The hunter-safety program would be funded with a combination of federal and state funds.

Your Committee has amended the bill to insert the sum of \$45,000 in the blank space for the appropriation. The bill was amended also to allow the Department of Land and Natural Resources to contract the program to a qualified, private organization if desirable and feasible. There are groups, such as the Hawaii Rifle Association which have materials and competence to conduct such programs.

Your Committee on Water, Land Use and Development is in accord with the intent and purpose of **H. B. No. 1470**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1470, H. D. 1** and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 334 Water, Land Use and Development on **H. B. No. 1322**

The purpose of this bill is to amend Section 213 of the Hawaiian Homes Commission Act of 1920, by addition of the Hawaiian loan guarantee fund.

Presently, there are 6 revolving funds and 2 special funds in the Hawaiian Homes Act. The Hawaiian loan guarantee fund would authorize the Department of Hawaiian Home Lands to create a fund to guarantee loans made by governmental agencies or lending institutions to holders of leases or licenses under Section 207 of the Homes Act. This guarantee which is subject to 3 restrictions under the Act would be made for farm, home and commercial purposes.

Upon consideration of this bill, your Committee finds that a sum of \$2,000,000 is justified for purposes of this Act.

Your Committee on Water, Land Use

and Development is in accord with the intent and purpose of **H. B. No. 1322** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 335 Water, Land Use and Development on **H. B. No. 1156**

The purpose of this bill is to increase the aggregate amount of the loan assured by the Department of Hawaiian Home Lands under Section 208(8) of the Hawaiian Homes Act of 1920, as amended.

Under present provisions, the Department has authority to guarantee loans from governmental agencies as well as private institutions in the aggregate amount of \$500,000. It has been indicated that an urgent need exists for the increase in the aggregate amount of the loan assured that the lessees could benefit from private and public funds for home, farm and commercial loans. It may be pointed out that the Farmers Home Administration is willing to loan monies to the Department of Hawaiian Home Lands at favorable conditions, however the current ceiling of \$500,000, prohibits the Department from taking that advantage.

Your Committee has made an amendment to this bill in consideration of a typographical error made in the drafting of this measure. This amendment would delete the \$2,000,000, ceiling and insert the sum of \$8,000,000, in its place.

Upon its deliberation of this bill, your Committee finds that a sum of \$8,000,000, is justified for the purposes of this Act.

Your Committee on Water, Land Use and Development is in accord with the intent and purpose of **H. B. No. 1156**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1156, H. D. 1** and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 336 Water, Land Use and Development on **H. B. No. 1152**

The purpose of this bill is to appropriate

monies for the development of drainage facilities on the Hawaiian Home Lands in Waimanalo.

At the present time plans have been made to start new developments, however, it is noted that funds are needed for drainage facilities to conform to City and County drainage specifications and requirements.

Upon consideration of this bill, your Committee finds that a sum of \$1,000,000 is justified to support the development of critically needed housing.

Your Committee on Water, Land Use and Development is in accord with the intent and purpose of **H. B. No. 1152** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 337 Water, Land Use and Development on **H. B. No. 1153**

The purpose of this bill is to appropriate monies for the development of drainage facilities on the Hawaiian Home Lands in Nanakuli.

At the present time plans have been made to start new developments, however it is noted that funds are needed for drainage facilities to conform to City and County drainage specifications and requirements.

Upon consideration of this bill, your Committee finds that a sum of \$1,500,000, be endorsed to further the development of critically needed housing.

Your Committee on Water, Land Use and Development is in accord with the intent and purpose of **H. B. No. 1153** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 338 Water, Land Use and Development on **H. B. No. 299**

The purpose of this bill is to create a revolving fund and to provide monies for

lessees of Hawaiian Home Lands in Nanakuli for the demolishing and replacement of substandard homes.

In testimony presented in a public hearing to your Committee, the Director of the Hawaiian Home Lands reported that there were fifty-seven homesteaders living in substandard housing in Nanakuli and sorely in need of replacement homes. In further testimony it was stated that these special funds would be of significant importance to upgrade the quality of homes as requirements in the Homes Act and Departmental Regulations preclude the securing of loans from private institutions.

Your Committee feels that the appropriate funding of this bill is justified for the purpose it will serve in providing a decent level of housing for Hawaiian homesteaders.

Your Committee on Water, Land Use and Development is in accord with the intent and purpose of **H. B. No. 299** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 339 Water, Land Use and Development on **H. B. No. 389**

The purpose of this bill is to prohibit the Land Use Commission from reconsidering a petition for one year after the adverse decision is rendered, and then only upon a showing that changed circumstances warrant the reconsideration.

This provision is now covered in less restrictive form in Section 1.24 of the Land Use Commission's **Rules of Practice and Procedure**, which sets a one year limit, but allows for reconsideration after six months if changed circumstances exist.

In testimony presented before your Committee, the Land Use Commission said it is in agreement with the purpose of **H. B. No. 389**. Ms. Carol Whitesell of the League of Women Voters of Hawaii also testified in favor of the bill.

Your Committee on Water, Land Use and Development is in accord with the intent and purpose of **H. B. No. 389** and recommends that it pass Second Reading

and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 340 Water, Land Use and Development on **H. B. No. 847**

The purpose of this bill is to amend Sec. 205-4 of the Hawaii Revised Statutes to require the State Land Use Commission to hold public hearings in the appropriate representative district of the county in which district boundary changes have been petitioned.

Existing law only requires the Land Use Commission to hold such hearings in the appropriate county, resulting in hardships for many citizens who sometimes must travel great distances in order to present testimony. The proposed amendment would require a meeting place closer to the district involved.

The County of Hawaii and three community associations have testified in support of the bill. The State Land Use Commission has opposed it, citing scheduling difficulties and increased costs. However, your Committee feels that increased citizen participation in increasingly important land issues outweighs these considerations.

Your Committee upon consideration of the bill recommends that the proposed change be amended to read "recognized geographic district" rather than "representative district."

Your Committee on Water, Land Use and Development is in accord with the intent and purpose of **H. B. No. 847**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 847, H. D. 1** and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 341 Water, Land Use and Development on **H. B. No. 1193**

The purpose of this bill is to appropriate \$1.57 million for the construction of the first phase of the Hawaii International Trade Center.

The Hawaii International Trade Center program and activities will focus on channeling the State's resources and energy into becoming a major international center in the Pacific for business, trade, research and development, professional services, finance, transshipment/distribution, and conferences and training.

The appropriation in this bill would be used for renovation of the primary site, construction of an exhibition hall, international conference and meeting facilities, administrative offices and storage space.

Your Committee on Water, Land Use and Development is in accord with the intent and purpose of **H. B. No. 1193** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 342 Water, Land Use and Development on **H. B. No. 1332**

The purpose of this bill is to appropriate funds for loans to construct new commercial fishing vessels.

Your Committee heard testimony indicating that \$900,000 has been appropriated for the loan program and all but \$47,533.79 of this has been loaned. As result, two new vessels have been added to the fleet and two more are under construction. The current demand for loans cannot be met because of the insufficient balance remaining in the loan revolving fund.

The Department of Land and Natural Resources indicated that \$200,000 is needed for the revolving fund. Your Committee has amended this bill to insert that amount in the blank space for appropriation.

Your Committee on Water, Land Use and Development is in accord with the intent and purpose of **H. B. No. 1332** as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1332, H. D. 1** and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 343 Water, Land Use and De-

velopment on **H. B. No. 1142**

The purpose of this bill is to authorize the State Department of Planning and Economic Development to prepare a plan for the management of the State's coastal zones which complies with the requirements of the Federal Coastal Zone Management Act of 1972, and which guides the State and the Counties in the exercise of their authority in coastal zones.

This management program would specify objectives, policies and standards to guide public and private uses of lands and waters in the coastal zone.

Your Committee on Water, Land Use and Development is in accord with the intent and purpose of **H. B. No. 1142** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 344 (Majority) Water, Land Use and Development on **H. B. No. 1331**

The purpose of this bill is to provide that funds specified for the Marine Affairs Coordinator by Act 137 of the Session Laws of Hawaii 1970 and by Act 166 of the Session Laws of Hawaii 1971, shall not lapse.

This bill would make any remaining balance of those funds available for expenditure by the Marine Affairs Coordinator in fiscal year 1973-74.

Your Committee on Water, Land Use and Development is in accord with the intent and purpose of **H. B. No. 1331** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

Representative Ajifu did not concur.

SCRep. 345 Water, Land Use and Development on **H. B. No. 1050**

The purpose of this bill is to appropriate \$940,000 from general revenues for the next fiscal biennium for the operating budget to be expended by the Marine

Affairs Coordinator.

This two-year total for marine projects is about the same level of funding as in the current biennium. The major areas of expenditures are promotion and development of marine food resources, research and development of biological resources other than food, research and development of mineral resources, ocean energy and other ocean potentials, continuing development of a detailed marine atlas, participation in and support of scientific and technological events, information and promotion, and support of marine facilities.

The Marine Affairs Coordinator position was established by Act 137 of the 1970 Legislature to aid the State's economic development by coordinating and supporting ocean programs in Hawaii.

According to testimony presented to your Committee, the total State investment in Marine Affairs Coordinator projects to date has been \$663,015. Directly identifiable cash matching and supporting funds from outside the State for these projects has been slightly more than \$1.5 million.

Your Committee thinks the development and utilization of marine environment is just beginning in Hawaii.

Your Committee on Water, Land Use and Development is in accord with the intent and purpose of **H. B. No. 1050** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 346

Legislative Management informing the House that **House Resolution Nos. 375 to 377**, **House Concurrent Resolution No. 95**, **Standing Committee Report Nos. 318 to 345**, and **Standing Committee Report Nos. 347 to 420**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. No. 347 Judiciary on **H. B. No. 674**

The purpose of this bill is to provide for

a state credit union act so that residents of Hawaii may organize a credit union under the sanctions of the State.

Presently, credit unions in the State have organized under the Federal Credit Union Act since there is no State enabling legislation permitting such.

Your Committee found this bill similar to the credit union act of the State of Michigan, a bill considered progressive and innovative.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 674** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 348 Select Committee of Oahu Representatives on **H. B. No. 1272**

The purpose of this bill is to make appropriations for certain capital improvement projects for the Twenty-Second Representative District of Hawaii.

Your Committee has added item No. 5 which will appropriate money for land acquisition for Kaiaka Point, Oahu, for public park purposes.

Your Select Committee of Oahu Representatives is in accord with the intent and purpose of **H. B. No. 1272**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1272, H. D. 1** and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 349 Education on **S. C. R. No. 10**

The purpose of this Concurrent Resolution is to request coordination and cooperation by the Commission on Aging and the Department of Education to implement nutrition programs for the elderly utilizing existing resources.

Your Committee finds that school-prepared lunches are both nutritious and economically feasible. Favorable testimony on the elderly's school lunch pilot

project have been received by your committee from both the elderly and the DOE. Any expansion of the program is expected to be funded by the federal government.

Your Committee on Education concurs with the intent and purpose of **S. C. R. No. 10** and recommends its referral to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 350 Consumer Protection on **H. B. No. 131**

The purpose of this bill is to prohibit the rental of motor vehicles with incorrect odometers to consumers and to prohibit the tampering of odometers of such rented vehicles by consumers where the cost of hire is based on mileage. The office of the Consumer Protection has received numerous complaints from motor vehicle lessees against car rental agencies questioning the mileage recorded by the rented vehicle.

Your Committee on Consumer Protection is in accord with the intent and purpose of **H. B. No. 131** and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. No. 351 Public Employment on **H. B. No. 1835**

The purpose of this bill is to make an appropriation to implement collective bargaining agreements covering public officers and employees.

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

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 1835**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1835, H. D. 1** and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 352 Transportation on **H. B. No. 1807**

The purpose of this bill is to amend the laws relating to renewal of driving licenses.

Under existing law a licensee must personally appear for renewal of his license and a Hawaii resident who is out of the state during the renewal period is permitted to apply for his license within thirty days after his return to this state. This procedure is inefficient as there is no assurance that the licensee will return. To correct the situation the bill proposes to permit renewals by mail.

Your Committee has amended the bill in the following manner:

(1) Corrected the spelling of the word "necessary" to "necessary" in section 3 of the bill;

(2) Added a new section 4 to provide for conformance with rule 24 b of the House of Representatives; and

(3) Added a new section 5 to provide for an effective date.

Your Committee on Transportation is in accord with the intent and purpose of **H. B. No. 1807**, as amended herein, and recommends its referral to your Committee on Judiciary in the form attached hereto as **H. B. No. 1807, H. D. 1**.

Signed by all members of the Committee.

SCRep. No. 353 Transportation on **H. B. No. 749**

The purpose of this bill is to amend the allowable uses of the state and county highway funds by permitting the use of such funds for bikeway purposes.

Your Committee upon consideration of a companion bill has already endorsed the changes recommended herein. There is, however, an immediate need to make specific appropriation for bikeways since much of the highway funds are earmarked for other highway uses. Your Committee, therefore, has amended the bill to provide for a modest appropriation for bikeways.

Your Committee on Transportation is in accord with the intent and purpose of **H. B. No. 749**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No.**

749, H. D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 354 Transportation on **H. B. No. 1517**

The purpose of this bill is to authorize the Department of Transportation to conduct a study and prepare a plan for a comprehensive inter-island marine mass transportation system.

Water transportation at low cost is available in many parts of the world, and Hawaii has the responsibility to insure that the people also have low cost, convenient transportation connecting all the populated ports of the State. The bill will enable the State to proceed with a plan to implement the necessary system.

Your Committee has amended the bill by inserting the sum of \$100,000 in section 4 of **H. B. No. 1517**.

Your Committee on Transportation is in accord with the intent and purpose of **H. B. 1517**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1517, H. D. 1** and that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 355 Transportation on **H. B. No. 1518**

The purpose of this bill is to allow for design modifications and construction of a semi-submersible ferry to be used as an integral part of a state-wide marine mass transportation system and to be used as a State Exhibit at the Okinawa Ocean Exposition, 1975; the U.S. Bicentennial celebration in Hawaii, 1976; and the Hawaii Bicentennial International Exposition, 1978.

Your Committee has amended the bill by inserting the amounts to be appropriated in section 3 of the bill.

Your Committee on Transportation is in accord with the intent and purpose of **H. B. No. 1518**, as amended herein and recommends that it pass Second Reading in the

form attached hereto as **H. B. No. 1518, H. D. 1**, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 356 Transportation on **H. B. No. 1869**

The purpose of this bill is to provide for the expenditure of monies in the State Highway Fund for the purposes of regulating and controlling motor vehicles and their operators.

Act 59 of the 1972 Legislature created the Interdepartmental Transportation Control Commission to recommend to the Legislature proposals which would control the problems created by the automobile. The bill will permit the use of the highway funds to defray the expenses of the agency and programs recommended to and adopted by the Legislature.

Your Committee on Transportation has amended the short form bill by amending Chapter 248.

Your Committee on Transportation is in accord with the intent and purpose of **H. B. No. 1869**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1869, H. D. 1** and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 357 Joint Select Committees of Oahu Representatives, Hawaii Representatives, Maui Representatives and Kauai Representatives on **H. B. No. 1831**

The purpose of this bill is to repeal the unequitable exemption being enjoyed by the military respecting state taxes imposed upon the sale of liquor.

The Department of Defense requires by its directive that liquor prices thru military outlets be kept within 10% of the lowest prevailing rates of civilian outlets. However, such directive does not apply to Alaska and Hawaii, so that military outlets enjoy a more than normal competitive edge over local outlets.

Your Committee is mindful of the benefit

of lower prices to the consumer, but not at a disadvantage to all local civilian businesses in a degree totally out of proportion to existing standards found in other states.

Your Joint Select Committees of Oahu, Hawaii, Maui and Kauai Representatives is in accord with the intent and purpose of **H. B. No. 1831** and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. No. 358 Health on **H. B. No. 297**

The purpose of this bill is to allow minors fourteen years of age or older to consent for their own general medical and dental health care, excluding surgery.

Your Committee has effected a single and technical change respecting Section 577A-3. The intent of the original bill is not changed, however, the language is simplified to establish the discretionary context of that section.

Your Committee on Health is in accord with the intent and purpose of **H. B. No. 297**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 297, H. D. 1** and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. No. 359 Health on **H. B. No. 45**

The purpose of this bill is to effect amendments to various sections of the Hawaii Revised Statutes, the total effect of which will be to provide adequate recognition of the threat and incidence of venereal disease, particularly among younger people and to provide adequate means to meet that threat.

Your Committee on Health is in accord with the intent and purpose of **H. B. No. 45**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 45, H. D. 1** and be referred to the Committee on Finance.

Signed by all members of the Committee.